BIOGEN IDEC INC.
Form DEF 14A
April 28, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Under § 240.14a-12

BIOGEN IDEC INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the

Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 9, 2010

To our Stockholders:

The annual meeting of stockholders of Biogen Idec Inc., a Delaware corporation, will be held at **9:00 a.m., local time, on Wednesday, June 9, 2010 at the American Academy of Arts & Sciences, 136 Irving Street, Cambridge, Massachusetts 02138** for the following purposes:

1. To elect four nominees identified in this Proxy Statement to our Board of Directors to serve for a three-year term extending until the 2013 annual meeting of stockholders and their successors are duly elected and qualified. Our Board of Directors nominees are Nancy L. Leaming, Brian S. Posner, Eric K. Rowinsky and Stephen A. Sherwin.

2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010.

3. To approve an amendment to our 2006 Non-Employee Directors Equity Plan to increase the number of shares available for issuance from 850,000 shares to 1,600,000 shares.

4. To transact such other business as may be properly brought before the meeting and any adjournments or postponements.

Only Biogen Idec stockholders of record at the close of business on April 19, 2010 will be entitled to vote at the meeting.

Our Board of Directors recommends a vote FOR the election of all of the nominees listed in proposal 1 above and FOR proposals 2 and 3 above.

Your vote is extremely important regardless of the number of shares you own. Whether or not you expect to attend the annual meeting in person, we urge you to vote as promptly as possible by telephone or by Internet by following the instructions on the accompanying proxy card or by signing, dating and returning the accompanying proxy card in the postage-paid envelope provided. **If your shares are held in street name in a stock brokerage account or by a bank or other nominee, you must provide your broker with instructions on how to vote your shares in order for your shares to be voted on important matters presented at the annual meeting. If you do not instruct your broker on how to vote in the election of directors this year, your shares will not be counted in the election.**

If you have any questions or require any assistance with voting your shares, please contact:

MACKENZIE PARTNERS, INC.
STOCKHOLDERS CALL TOLL FREE: 800-322-2885
BANKS AND BROKERS CALL COLLECT: 212-929-5500
EMAIL: ***biogenidecproxy@mackenziepartners.com***

BY ORDER OF OUR BOARD OF DIRECTORS,

Susan H. Alexander,
Secretary

14 Cambridge Center
Cambridge, Massachusetts 02142
April 28, 2010

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Biogen Idec Inc.
14 Cambridge Center
Cambridge, Massachusetts 02142

PROXY STATEMENT FOR 2010 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 9, 2010

GENERAL INFORMATION ABOUT THE MEETING AND VOTING

We are sending you this Proxy Statement and the accompanying proxy card because the Board of Directors of Biogen Idec Inc. (Biogen Idec or Company) is soliciting your proxy to vote at our 2010 annual meeting of stockholders (Annual Meeting) to be held at 9:00 a.m., local time, on Wednesday, June 9, 2010 at the American Academy of Arts & Sciences, 136 Irving Street, Cambridge, Massachusetts 02138, for the purposes summarized in the accompanying Notice of 2010 Annual Meeting of Stockholders. Our 2009 Summary Annual Report and 2009 Annual Report on Form 10-K are also being sent with this Proxy Statement.

Who can vote?

Each share of our common stock that you own as of the close of business on the record date of April 19, 2010 (Record Date) entitles you to one vote on each matter to be voted upon at the Annual Meeting. As of the Record Date, 266,999,801 shares of our common stock were outstanding and entitled to vote. We are mailing this Proxy Statement and the accompanying proxy card on or about April 28, 2010 to all stockholders of record as of the Record Date. For 10 days before the Annual Meeting, a list of stockholders entitled to vote will be available for inspection at our offices located at 10 Cambridge Center, Cambridge, Massachusetts 02142. If you would like to review the list, please call our Investor Relations department at (617) 679-2812.

Who can attend the Annual Meeting?

Attendance at the Annual Meeting will be limited to stockholders of Biogen Idec as of the Record Date (or their authorized representatives). If your shares are held by a bank, broker or other nominee, please bring to the Annual Meeting your bank or broker statement evidencing your beneficial ownership of Biogen Idec stock to gain admission to the Annual Meeting. Stockholders who plan to attend the Annual Meeting must present valid photo identification. Stockholders of record will be verified against an official list available at the registration area. We reserve the right to deny admittance to anyone who cannot adequately show proof of share ownership as of the Record Date.

How do proxies work?

Our Board of Directors is asking for your proxy using the accompanying proxy card. Giving us your proxy means that you authorize us to vote your shares at the Annual Meeting in the manner you direct. You may vote for or against some or all of our director nominees. You may also vote for or against the other proposals or abstain from voting. If you submit the proxy card without specifying your voting instructions, we will vote your shares as follows:

> ***Election of Directors:*** FOR the election of all of our director nominees;
>
> ***Ratification of PricewaterhouseCoopers LLP:*** FOR the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010;

Amendment to Directors Plan: FOR the approval of an amendment to our 2006 Non-Employee Directors Equity Plan to increase the number of shares available for issuance from 850,000 shares to 1,600,000 shares; and

As to any other matter that may properly come before the meeting or any adjournment or postponement thereof, in accordance with our best judgment.

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Shares represented by valid proxies received in time for the Annual Meeting and not revoked before the Annual Meeting will be voted at the Annual Meeting. You can revoke your proxy and change your vote in the manner described below in the subsection titled How can I change my vote? If your shares are held through a bank, broker or other nominee, please follow the instructions provided by your bank, broker or other nominee.

How do I vote?

It is important that your shares are represented at the Annual Meeting, whether or not you attend the Annual Meeting in person.

If you are a registered stockholder (also called a record holder), there are four ways to vote:

Telephone: By calling the toll-free telephone number indicated on your proxy card. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded;

Internet: By going to the Internet website indicated on your proxy card. As with telephone voting, you can confirm that your instructions have been properly recorded;

Mail: By signing, dating and returning the accompanying proxy card in the postage-paid envelope provided; or

In Person: By submitting a written ballot in person at the Annual Meeting. To obtain directions to attend the Annual Meeting, please contact our Investor Relations department at (617) 679-2812. We will pass out ballots at the Annual Meeting to anyone who wishes to vote in person.

If your shares are held in a brokerage account in your broker s name (this is called street name), please follow the voting instructions provided by your bank, broker or other nominee. In most cases, you may submit voting instructions by telephone or by Internet to your bank, broker or other nominee, or you can sign, date and return a voting instruction form to your bank, broker or other nominee. If you provide specific voting instructions by telephone, by Internet or by mail, your bank, broker or other nominee must vote your shares as you have directed. If you wish to vote in person at the Annual Meeting, you must request a legal proxy from your bank, broker or other nominee.

What does it mean if I receive more than one proxy card or voting instruction form?

If you hold your shares in more than one account, you will receive a proxy card or voting instruction form for each account. To ensure that all of your shares are voted, please use each proxy card and voting instruction form to vote by telephone or by Internet or sign, date and return a proxy card or voting instruction form for each account.

How can I change my vote?

You may revoke your proxy and change your vote at any time before the Annual Meeting by:

Re-voting by telephone or by Internet as instructed above. Only your latest telephone or Internet vote will be counted.

Signing and dating a new proxy card or voting instruction form and submitting it as instructed above. Only your latest proxy card or voting instruction form will be counted.

If your shares are registered in your name, delivering timely written notice of revocation to the Secretary, Biogen Idec Inc., 14 Cambridge Center, Cambridge, Massachusetts 02142.

Attending the Annual Meeting in person and voting in person. Attending the Annual Meeting in person will not in and of itself revoke a previously submitted proxy unless you specifically request it. If your shares are held in street name in a brokerage account or by a bank or other nominee, you must request a legal proxy from your bank, broker or other nominee to vote in person at the Annual Meeting.

Only your latest vote, in whatever form, will be counted.

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What is a broker non-vote?

Broker non-votes generally occur when shares held by a broker nominee for a beneficial owner are not voted with respect to a proposal because the broker nominee has not received voting instructions from the beneficial owner and lacks discretionary authority to vote the shares. Under stock exchange and other rules, brokers have the authority to vote such shares on discretionary, or routine, matters but not on non-discretionary, or non-routine, matters.

Each matter on the agenda for the Annual Meeting (other than ratification of our independent accounting firm) is a non-routine matter. If you do not instruct your broker how to vote on these matters your shares will not be counted.

You should vote your shares by following the instructions on the voting instruction form provided by your bank, broker or other nominee and returning your voting instruction form to your bank, broker or other nominee to ensure that your shares are voted on your behalf.

Will my shares be counted if I do not vote?

If you are a record holder and do not vote by telephone or by Internet or by signing, dating and returning a proxy card, your shares will not be voted.

If you are the beneficial owner of shares held in street name by a bank, broker or other nominee, as the record holder of the shares, your bank, broker or other nominee is required to vote those shares in accordance with your instructions. We urge you to provide instructions to your bank, broker or other nominee so that your votes may be counted on these important matters. You should vote your shares by following the instructions on the voting instruction form provided by your bank, broker or other nominee and returning your voting instruction form to your bank, broker or other nominee to ensure that your shares are voted on your behalf.

If you do not give instructions to your broker, your broker will be entitled to vote your shares only with respect to routine matters, which at the Annual Meeting is only the ratification of our independent accounting firm, but will not be permitted to vote your shares with respect to non-routine matters. Uninstructed shares will be treated as broker non-votes. We urge you to provide instructions to your broker to ensure that your votes will be counted. You should vote your shares by following the instructions on the voting instruction form provided by your bank, broker or other nominee and returning your voting instruction form to your bank, broker or other nominee to ensure that your shares are voted on your behalf.

How many shares must be present to hold the Annual Meeting?

A majority of our outstanding shares of common stock as of the Record Date must be present at the Annual Meeting to hold the Annual Meeting and conduct business. This is called a quorum. Shares voted in the manner described above (under How do I vote?) will be counted as present at the Annual Meeting. Shares that are present and entitled to vote on one or more of the matters to be voted upon are counted as present for establishing a quorum. If a quorum is not present, we expect that the Annual Meeting will be adjourned until we obtain a quorum.

What vote is required to approve each proposal and how are votes counted?

Election of Directors: The affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and cast in favor of or against a nominee for director is required to elect such nominee.

Abstentions and broker non-votes, if any, are not counted for purposes of electing directors and will have no effect on the results of this vote.

Ratification of PricewaterhouseCoopers LLP: The affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is required to ratify PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010. Abstentions will have the effect of votes against this proposal. Broker non-votes, if any, will have no effect on the results of this vote.

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Amendment to Directors Plan: The affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is required to approve an amendment to our 2006 Non-Employee Directors Equity Plan to increase the number of shares available for issuance from 850,000 shares to 1,600,000 shares. Abstentions will have the effect of votes against this proposal. Broker non-votes, if any, will have no effect on the results of this vote.

Are there other matters to be voted on at the Annual Meeting?

We do not know of any other matters that may come before the Annual Meeting. If any other matters are properly presented to the Annual Meeting, the persons named in the accompanying proxy card intend to vote, or otherwise act, in accordance with their best judgment.

Where do I find the voting results of the Annual Meeting?

We will publish voting results in a Current Report on Form 8-K filed with the Securities and Exchange Commission (SEC) within four business days after the end of the Annual Meeting. You may request a copy of this Form 8-K by writing to Investor Relations, Biogen Idec Inc., 14 Cambridge Center, Cambridge, Massachusetts 02142. You will also be able to find a copy on the Internet through the SEC s electronic data system called EDGAR at *www.sec.gov* or through the Investors section of our website, *www.biogenidec.com.*

Who should I call if I have any questions?

If you have any questions or require any assistance with voting your shares, please contact:

MACKENZIE PARTNERS, INC.
STOCKHOLDERS CALL TOLL FREE: 800-322-2885
BANKS AND BROKERS CALL COLLECT: 212-929-5500
EMAIL: ***biogenidecproxy@mackenziepartners.com***

Important Notice Regarding the Availability of Proxy Materials for Annual Meeting of Stockholders To Be Held on June 9, 2010: The Notice of 2010 Annual Meeting of Stockholders, Proxy Statement, 2009 Summary Annual Report and 2009 Annual Report on Form 10-K are available online at *http://investor.biogenidec.com/phoenix.zhtml?c=148682&p=proxy.*

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PROPOSAL 1 ELECTION OF DIRECTORS

Our Board of Directors has nominated Nancy L. Leaming, Brian S. Posner, Eric K. Rowinsky and Stephen A. Sherwin for election as Class 1 directors to serve a three-year term extending until the 2013 annual meeting of stockholders and their successors are duly elected and qualified, unless they resign or are removed. As described in detail below, our nominees have considerable professional and business expertise. The recommendation of our Board of Directors is based on its carefully considered judgment that the experience, qualifications, attributes and skills of our nominees qualify them to serve on our Board of Directors.

If any of our nominees is unable to serve on our Board of Directors, the shares represented by the accompanying proxy card will be voted for the election of such other person as may be nominated by our Board of Directors. In addition, in full compliance with all applicable state and federal laws and regulations, we will file an amended proxy statement and proxy card that, as applicable, (1) identifies the alternate nominee(s), (2) discloses that such nominees have consented to being named in the revised proxy statement and to serve if elected and (3) includes the disclosure required by Item 7 of Schedule 14A with respect to such nominees. We know of no reason why any nominee would be unable to accept nomination or election. All nominees have consented to be named in this Proxy Statement and to serve if elected.

OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF NANCY L. LEAMING, BRIAN S. POSNER, ERIC K. ROWINSKY AND STEPHEN A. SHERWIN.

Our Board Structure

Our Board of Directors consists of three classes of directors with each director serving a staggered three-year term as follows:

Class 1 Directors Term Expires at this Annual Meeting	Class 2 Directors Term Expires at 2011 Annual Meeting	Class 3 Directors Term Expires at 2012 Annual Meeting
Nancy L. Leaming	Caroline D. Dorsa	Alexander J. Denner
James C. Mullen	Stelios Papadopoulos	Richard C. Mulligan
Brian S. Posner	Lynn Schenk	Robert W. Pangia
Bruce R. Ross		William D. Young*
Eric K. Rowinsky		
Stephen A. Sherwin		

* Chairman of the Board

Messrs. Mullen and Ross are not standing for re-election and will retire from our Board of Directors at the end of their current terms as directors upon certification of the election results at the Annual Meeting. Immediately following the Annual Meeting, our Board of Directors will comprise 12 director positions.

Our Directors and Nominees for Director

We were known as IDEC Pharmaceuticals Corporation before our merger with Biogen, Inc. in November 2003 (Merger). References to our or us in the following biographical descriptions include Biogen Idec and the former IDEC Pharmaceuticals Corporation.

Nominees for Election as Class 1 Directors at this Annual Meeting

Nancy L. Leaming (Director since January 2008)	Ms. Leaming, 62, has been an independent consultant since 2005. From 2003 to 2005, she served as the Chief Executive Officer and President of the Tufts Health Plan, a provider of healthcare insurance. From 1986 to 2003, Ms. Leaming served in several executive positions at Tufts Health Plan, including President, Chief Operating Officer and Chief Financial Officer.

	Ms. Leaming is a member of the boards of directors of Hologic, Inc., a provider of diagnostic and surgical products, and Edgewater Technology, Inc., a technology management consulting firm. Ms. Leaming has well-developed leadership skills and financial acumen and provides insights into the healthcare reimbursement and payor market, where she spent 20 years in senior operational, financial and managerial roles.
Brian S. Posner (Director since July 2008)	Mr. Posner, 48, has been a private investor since March 2008 and is the President of Point Rider Group LLC, a consulting and advisory services firm within the financial services industry. From 2005 to March 2008, Mr. Posner served as the Chief Executive Officer and co-Chief Investment Officer of ClearBridge Advisors LLC, an asset management company and a wholly-owned subsidiary of Legg Mason. Prior to that, Mr. Posner co-founded Hygrove Partners LLC, a private investment fund, in 2000 and served as the Managing Partner for five years. He served as a portfolio manager and an analyst at Fidelity Investments from 1987 to 1996 and, from 1997 to 1999, at Warburg Pincus Asset Management/Credit Suisse Asset Management where he also served as co-Chief Investment Officer and Director of Research. Given his substantial experience as a leading institutional investment manager and advisor, Mr. Posner brings a professional investor s perspective and financial expertise that is valuable to our Board of Directors as it oversees our strategy for enhancing shareholder value.
Eric K. Rowinsky, M.D. (Director since March 2010)	Dr. Rowinsky, 53, has been an independent consultant since January 2010. From 2005 to December 2009, he served as the Chief Medical Officer and Executive Vice President of Clinical Development and Regulatory of ImClone Systems Incorporated, a life sciences company, and served on the company s board of directors from 2005 to November 2008. Prior to that, Dr. Rowinsky held several positions at the Cancer Therapy & Research Center s Institute of Drug Development, including Director of the Institute, Director of Clinical Research and SBC Endowed Chair for Early Drug Development. Prior to that, he served as Clinical Professor of Medicine in the Division of Medical Oncology at the University of Texas Health Science Center at San Antonio and as Associate Professor of Oncology at the Johns Hopkins University School of Medicine. Dr. Rowinsky is a member of the board of directors of ADVENTRX Pharmaceuticals, Inc., a life sciences company. During the past five years, Dr. Rowinsky has also served as a director of Tapestry Pharmaceuticals, Inc., a life sciences company. Dr. Rowinsky has extensive research and drug development experience, oncology expertise and broad scientific and medical knowledge.
Stephen A. Sherwin, M.D. (Director since March 2010)	Dr. Sherwin, 61, has been Chairman of Ceregene, Inc., a life sciences company that he co-founded, since 2001. From 1990 to October 2009, he served as the Chief Executive Officer of Cell Genesys, Inc., a life sciences company, and was the company s Chairman from 1994 to October 2009. Prior to that, Dr. Sherwin held various positions at Genentech, Inc., a life sciences company, most recently as Vice President, Clinical Research.

Dr. Sherwin is a member of the board of directors of BioSante Pharmaceuticals, Inc., a pharmaceutical company, Neurocrine Biosciences, Inc., a life sciences company, and Rigel Pharmaceuticals, Inc., a life sciences company. He is also Chairman of the Biotechnology Industry Organization.

Dr. Sherwin has extensive knowledge of the life sciences industry and brings more than 25 years of experience in senior leadership positions at large and small publicly traded life sciences companies to our Board of Directors.

Class 2 Directors

Caroline D. Dorsa
(Director since January 2010)

Ms. Dorsa, 51, has been Executive Vice President and Chief Financial Officer of Public Service Enterprise Group Incorporated, a diversified energy company, since April 2009 and served on the company s board of directors from 2003 to April 2009. From February 2008 to April 2009, she served as Senior Vice President, Global Human Health, Strategy and Integration at Merck & Co., Inc., a pharmaceutical company. From November 2007 to January 2008, Ms. Dorsa served as Senior Vice President and Chief Financial Officer of Gilead Sciences, Inc., a life sciences company. From February 2007 to November 2007, she served as Senior Vice President and Chief Financial Officer of Avaya, Inc., a telecommunications company. From 1987 to January 2007, Ms. Dorsa held various financial and operational positions at Merck & Co., Inc., including Treasurer, Executive Director of U.S. Customer Marketing and Executive Director of U.S. Pricing and Strategic Planning.
Ms. Dorsa has financial and accounting expertise and a deep knowledge of the pharmaceutical industry. Her strategic perspective on the industry is particularly valuable to our Board of Directors as it oversees our growth initiatives and reviews both internal development projects and external opportunities.

Stelios Papadopoulos, Ph.D.
(Director since July 2008)

Dr. Papadopoulos, 61, is Chairman of Exelixis, Inc., a drug discovery and development company that he co-founded in 1994. Previously, he was an investment banker with Cowen & Co., LLC, focusing on the biotechnology and pharmaceutical sectors, from 2000 until his retirement as Vice Chairman in August 2006. Prior to joining Cowen & Co., Dr. Papadopoulos spent 13 years as an investment banker at PaineWebber, Inc. where he was most recently Chairman of PaineWebber Development Corp., a PaineWebber subsidiary focusing on biotechnology.

Dr. Papadopoulos is a member of the boards of directors of Anadys Pharmaceuticals, Inc., a drug discovery and development company he co-founded, and BG Medicine, Inc., a life sciences company. During the past five years, Dr. Papadopoulos has also served as a director of GenVec, Inc. and SGX Pharmaceuticals, Inc., both life sciences companies.

Having founded multiple life sciences companies and worked as an investment banker focused on the life sciences industry, Dr. Papadopoulos brings a first-hand understanding to our Board of Directors of the demands of establishing, growing and running life sciences businesses.

Lynn Schenk
(Director since 1995)

Ms. Schenk, 65, is an attorney and consultant in private practice with extensive public policy and business experience. From 1999 to 2003, she served as Chief of Staff to the Governor of California, during which time she led the effort to create the institutes for science and innovation at the University of California. From 1993 to 1995, Ms. Schenk was a Member of the United States House of Representatives, representing San Diego, California and served on the House Energy & Commerce Committee with a special emphasis on biotechnology. From 1980 to 1983, she was the California Secretary of Business, Transportation and Housing.

Ms. Schenk is a member of the board of directors of Sempra Energy, an energy services and development company.

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Ms. Schenk s strong public policy and legal experience provides vital insights to our Board of Directors about significant issues affecting the highly regulated life sciences industry, and she has extensive knowledge of Biogen Idec derived from her 15 year tenure as a director.

Class 3 Directors

Alexander J. Denner, Ph.D. (Director since June 2009)	Dr. Denner, 40, has been serving as Managing Director of private investment funds affiliated with Carl C. Icahn since August 2006. From 2005 to May 2006, he served as a portfolio manager specializing in healthcare investments for Viking Global Investors, a private investment fund. Prior to that, Dr. Denner served in a variety of roles at Morgan Stanley, beginning in 1996, including as portfolio manager of healthcare and biotechnology mutual funds. Dr. Denner is a member of the boards of directors of Amylin Pharmaceuticals, Inc. and Enzon Pharmaceuticals, Inc., both life sciences companies. During the past five years, Dr. Denner has also served as a director of ADVENTRX Pharmaceuticals, Inc. and ImClone Systems Incorporated. Dr. Denner has experience overseeing the operations and research and development of biopharmaceutical companies and evaluating corporate governance matters. He also has extensive experience as an investor, particularly with respect to healthcare companies, and possesses broad life-sciences industry knowledge.
Richard C. Mulligan, Ph.D. (Director since June 2009)	Dr. Mulligan, 55, has been the Mallinckrodt Professor of Genetics at Harvard Medical School and Director of the Harvard Gene Therapy Initiative since 1996. Prior to that, he was Professor of Molecular Biology at the Massachusetts Institute of Technology, a member of the Whitehead Institute for Biomedical Research, and Chief Scientific Officer of Somatix Therapy Corporation, a drug discovery and development company that he founded. Dr. Mulligan was named a MacArthur Foundation Fellow in 1981. Dr. Mulligan is a member of the boards of directors of Enzon Pharmaceuticals, Inc. and Cellectis SA, both life sciences companies. During the past five years, Dr. Mulligan has also served as a director of ImClone Systems Incorporated. Dr. Mulligan has scientific expertise in the areas of molecular biology, genetics, gene therapy and biotechnology, as well as extensive experience within the life sciences industry, including overseeing the operations and research and development of biopharmaceutical companies.
Robert W. Pangia (Director since 1997)	Mr. Pangia, 58, has been a partner in Ivy Capital Partners, LLC, the general partner of Ivy Healthcare Capital, L.P., a private equity fund specializing in healthcare investments, since 2003. From October 2007 to October 2009, he served as the Chief Executive Officer of Highlands Acquisition Corp., a special purpose acquisition company. From 1996 to 2003, Mr. Pangia was self-employed as an investment banker. From 1987 to 1996, he held various senior management positions at PaineWebber, including Executive Vice President and Director of Investment Banking for PaineWebber Incorporated of New York, member of the board of directors of PaineWebber, Inc., Chairman of PaineWebber Properties, Inc., and member of several of PaineWebber s executive and operating committees. Mr. Pangia is a member of the board of directors of McAfee, Inc., a security technology company. During the past five years, Mr. Pangia has also served as a

director of Icos Corporation, a life sciences company.

Mr. Pangia has a breadth of expertise within the healthcare industry and finance and extensive knowledge of Biogen Idec derived from his 13 year tenure as a director.

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William D. Young (Director since 1997)	Mr. Young, 65, has been a venture partner in Clarus Ventures, LLC, a life sciences venture capital firm, since March 2010 and has served as the Executive Chairman of NanoString Technologies, Inc., a provider of molecular diagnostics and a portfolio company of Clarus Ventures, since February 2010. He has also served as our independent Chairman since January 2010. From 1999 to August 2009, Mr. Young served as the Chief Executive Officer of Monogram Biosciences, Inc., a provider of molecular diagnostics, and as its Chairman from 1998 to August 2009. From 1980 to 1999, he held several positions at Genentech, Inc. and served as its Chief Operating Officer from 1997 to 1999. Prior to joining Genentech, Mr. Young was with Eli Lilly & Co., a pharmaceutical company, for 14 years. He was elected to the National Academy of Engineering in 1993 for his contributions to biotechnology. Mr. Young is a member of the board of directors of Theravance, Inc., a life sciences company. During the past five years, Mr. Young has also served as a director of Human Genome Sciences, Inc., a life sciences company. Mr. Young has extensive operational experience, leadership skills and knowledge of the life sciences industry and a broad understanding of Biogen Idec through his service as a director over the past 13 years.

Director Independence

Board of Directors. All of our directors and nominees for director, other than Mr. Mullen, our Chief Executive Officer and President, satisfy the independence requirements of The NASDAQ Stock Market, Inc. (NASDAQ). Our independent directors during 2009 also included our former directors Lawrence C. Best, Marijn E. Dekkers, Alan B. Glassberg and Phillip A. Sharp. In determining independence, our Board of Directors considered the following transactions and relationships:

Dr. Dekkers was the Chief Executive Officer of Thermo Fisher Scientific Inc., which is one of our suppliers. The volume of business between Biogen Idec and Thermo Fisher Scientific amounts to less than 1% of the revenues of each company.

Ms. Schenk is a director of Sempra Energy, which is a publicly regulated utility that supplies electricity to our facility in San Diego, California. The volume of business between Biogen Idec and Sempra Energy amounts to less than 1% of the revenues of each company.

Dr. Sharp founded and serves as a director of Alnylam Pharmaceuticals, Inc., which in 2006 entered into a collaboration agreement with us related to the discovery and development of RNAi therapeutics for the potential treatment of progressive multifocal leukoencephalopathy. Dr. Sharp is not an executive officer or significant stockholder of Alnylam Pharmaceuticals, he did not participate in our Board of Directors discussion and vote on the agreement and he was not involved in the transaction on Alnylam Pharmaceuticals behalf.

Committees. The committees of our Board of Directors consist solely of independent directors, as defined by NASDAQ. The members of the Finance and Audit Committee also meet the additional SEC and NASDAQ independence and experience requirements applicable specifically to members of the Finance and Audit Committee. In addition, all of the members of the Compensation and Management Development Committee are non-employee directors within the meaning of the rules of Section 16 of the Securities Exchange Act of 1934, as amended (Securities Exchange Act), and outside directors for purposes of Section 162(m) of the Internal Revenue Code.

Leadership Structure. We currently separate the roles of Chairman of the Board of Directors and Chief Executive Officer. Our Chairman, an independent director, presides at meetings of our Board of Directors, executive sessions of our non-employee directors and our annual meeting of stockholders. In addition, our Chairman sets the agenda for our Board meetings in collaboration with our Chief Executive Officer, recommends Board committee appointments and responsibilities in conjunction with the Corporate Governance Committee, and leads the evaluation process of our Chief Executive Officer. We believe that having an independent Chairman promotes a greater role for the independent directors in the oversight of the Company, including oversight of material risks

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facing the Company, encourages active participation by the independent directors in the work of our Board of Directors, enhances our Board of Directors role of representing stockholders interests, and improves our Board of Directors ability to supervise and evaluate our Chief Executive Officer and other executive officers.

Nominating Processes

The Corporate Governance Committee is responsible for identifying individuals qualified to become members of our Board of Directors, including the review of candidates recommended by stockholders. The Corporate Governance Committee has retained a search firm to help identify and recruit potential candidates. Stockholders may recommend nominees for consideration by the Corporate Governance Committee by submitting the names and supporting information to the Secretary, Biogen Idec Inc., 14 Cambridge Center, Cambridge, Massachusetts 02142. Any such recommendation should include at a minimum the name(s) and address(es) of the stockholder(s) making the recommendation and appropriate biographical information for the proposed nominee(s). Candidates who are recommended by stockholders will be considered on the same basis as candidates from other sources. For all potential candidates, the Corporate Governance Committee will consider all factors it deems relevant, including at a minimum those listed below in the subsection titled Director Qualification Standards and Diversity. Director nominations are recommended by the Corporate Governance Committee to our Board of Directors and must be approved by a majority of independent directors.

In addition, our Bylaws contain provisions that address the process by which a stockholder may nominate an individual to stand for election to our Board of Directors at an annual meeting of stockholders. In order to nominate a director candidate for election at our 2011 annual meeting of stockholders, a stockholder must give timely notice in writing to our Secretary at our principal executive offices and otherwise comply with the provisions of our Bylaws. To be timely, our Bylaws provide that we must have received a stockholder s notice not less than 90 days and not more than 120 days in advance of the anniversary of the date our proxy statement was released to the stockholders in connection with the previous year s annual meeting of stockholders. However, in the event that no annual meeting of stockholders was held in the previous year or the date of the annual meeting of stockholders has been changed by more than 30 days from the date contemplated at the time of the previous year s proxy statement, we must receive a stockholder s notice not earlier than the close of business on the 120th day prior to such annual meeting of stockholders and not later than the close of business on the later of (1) the 90th day prior to such annual meeting of stockholders and (2) the 10th day following the day on which public announcement of the date of such annual meeting of stockholders is first made. Information required by the Bylaws to be in the notice includes, among other things, the name, contact information and security ownership information for the candidate and the person making the nomination, any voting commitment by the candidate, whether the person making the nomination is part of a group that intends to deliver a proxy statement or solicit proxies, and other information about the nominee that must be disclosed in proxy solicitations under Section 14 of the Securities Exchange Act and the related rules and regulations under that Section. The Corporate Governance Committee may also require any proposed nominee to furnish such other information as may be reasonably required to determine the eligibility of such proposed nominee to serve as our director.

In January 2010, we received notice from entities affiliated with Carl C. Icahn, namely, Icahn Partners LP, Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP, Icahn Partners Master Fund III LP and High River Limited Partnership, of their intention to nominate Thomas F. Deuel, Dr. Rowinsky and Richard A. Young for election to our Board of Directors at the Annual Meeting. These entities also indicated their intention to submit at the Annual Meeting a proposal to amend our Bylaws in order to fix the number of directors at 12 and eliminate the power of our Board of Directors to fix the number of directors. In March 2010, we entered into an agreement with Mr. Icahn and entities affiliated with Mr. Icahn pursuant to which, among other things, (1) they agreed to withdraw their notice of nomination of directors and business for the Annual Meeting and vote their shares of our common stock at the Annual Meeting in favor of our director nominees and (2) we agreed to appoint Dr. Rowinsky and Dr. Sherwin to our

Board of Directors and include them in our slate of director nominees at the Annual Meeting. Dr. Sherwin was identified as a director candidate by a search firm that the Corporate Governance Committee has retained to help identify and recruit potential candidates.

Majority Voting

Under our Bylaws, directors are elected by a majority of votes cast in uncontested elections, and by a plurality of votes cast in contested elections. In addition, following their appointment or election by stockholders to our Board of Directors, directors must submit an irrevocable resignation that will be effective upon (1) the failure to receive the required number of votes for reelection at the next annual meeting of stockholders at which they face reelection and (2) acceptance of such resignation by our Board of Directors. If an incumbent director fails to receive the number of votes required for reelection, our Board of Directors (excluding the director in question) will, within 90 days after certification of the election results, decide whether to accept the director s resignation taking into account such factors as it deems relevant. Such factors may include the stated reasons why stockholders voted against such director s reelection, the qualifications of the director and whether accepting the resignation would cause us to fail to meet any applicable listing standards or would violate state law. Our Board of Directors will promptly disclose its decision and, if applicable, the reasons for rejecting the resignation in a filing with the SEC.

Director Qualification Standards and Diversity

Our directors should possess the highest personal and professional ethics and integrity, understand and be aligned with our core values, and be committed to representing the long-term interests of our stockholders. Our directors must also be inquisitive and objective and have practical wisdom and mature judgment. In accordance with our Corporate Governance Principles, we endeavor to have a Board of Directors representing diverse experience at strategic and policy-making levels in business, government, education, healthcare, science and technology, and the international marketplace. In selecting nominees to the Board of Directors, the Corporate Governance Committee considers a variety of characteristics and qualifications in potential nominees, including, among other things, their experience, employment and background as well as their ability to enhance the perspective and experience of the Board of Directors as a whole.

Our directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serving on our Board of Directors for an extended period of time. We ask directors who also serve in full-time positions with another company not to serve on more than two boards of public companies in addition to our Board of Directors (excluding their own company) and other directors not to serve on more than six boards of public companies in addition to ours.

Our Board of Directors does not believe that arbitrary term limits on directors service are appropriate, nor does it believe that directors should expect to be re-nominated. Regular evaluations are an important determinant for continued tenure. Our Corporate Governance Principles provide that directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities or any circumstances that may adversely affect their ability to carry out their duties and responsibilities effectively. Our directors are also expected, but not required, to offer their resignation to the Board of Directors effective at the annual meeting of stockholders in the year of their 75th birthday.

Committees and Meetings

Our Board of Directors has four standing committees, which are described in the table below. The chair of each committee periodically reports to our Board of Directors about such committee s deliberations and decisions. Each committee s charter is posted on our website, *www.biogenidec.com*, under the Board of Directors Corporate Governance subsection of the About Us section of the site. Also posted there are the Finance and Audit Committee Practices, which describe the key practices used by the Finance and Audit Committee in undertaking its functions and responsibilities, and our Corporate Governance Principles, which, together with our committee charters, provide the framework for our governance.

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Committee	Function	Members	Meetings in 2009
Compensation and Management Development	Assists our Board of Directors with its overall responsibility relating to compensation and management development, including recommending the compensation of our Chief Executive Officer to our Board of Directors for approval, approval of compensation for our other executive officers, administration of our equity-based compensation plans and oversight of our talent management strategy and executive development programs (including senior level succession plans), and, together with the Corporate Governance Committee, recommending the compensation of our independent directors and Chairman. The Compensation and Management Development Committee Report is set forth in the section titled Executive Compensation and Related Information.	William D. Young* Stelios Papadopoulos Eric K. Rowinsky Lynn Schenk	6
Corporate Governance	Assists our Board of Directors in assuring sound corporate governance practices, identifying qualified individuals to consider for service on our Board of Directors, recommending qualified nominees to our Board of Directors and its committees, and, together with the Compensation and Management Development Committee, recommending the compensation of our independent directors and Chairman.	Bruce R. Ross* Brian S. Posner Lynn Schenk Stephen A. Sherwin	8
Finance and Audit	Assists our Board of Directors in its oversight of the integrity of our financial statements, compliance with legal and regulatory requirements, the performance of our internal audit function and our accounting and financial reporting processes. The Finance and Audit Committee has the sole authority and responsibility to select, evaluate, compensate and replace our independent registered public accounting firm. The Finance and Audit Committee Report is set forth below.	Nancy L. Leaming* Alexander J. Denner Caroline D. Dorsa Robert W. Pangia Brian S. Posner	9
Transaction	Assists our Board of Directors by providing oversight of our corporate development, business development and new ventures transaction activities and making recommendations to our Board of Directors regarding transactions requiring action by our Board of Directors. The Transaction Committee may authorize	Robert W. Pangia* Richard C. Mulligan Stelios Papadopoulos William D. Young	6

transactions up to $100 million.

* Committee chair.

Audit committee financial expert.

Our Board of Directors met 15 times in 2009. No current director who served on our Board of Directors during 2009 attended fewer than 75% of the total number of meetings of our Board of Directors and the committees on which he or she served during 2009. Our independent directors are required to meet without management present twice each year. Independent directors may also meet without management present at such other times as determined by our Chairman, or if requested by at least two other directors. In 2009, our independent directors

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met without management present 9 times. In addition, we expect all of our directors and director nominees to attend our annual meetings of stockholders. All of our directors at the time of our 2009 annual meeting of stockholders attended such annual meeting.

Compensation Committee Interlocks and Insider Participation

During 2009, our current directors Messrs. Papadopoulos and Young and Ms. Schenk and our former directors Drs. Dekkers and Glassberg served on the Compensation and Management Development Committee and were independent directors during such service.

Risk Oversight

Our Board of Directors provides oversight of material risks facing the Company. Our Board of Directors regularly receives information about our material strategic, operational, financial and compliance risks and management s response to and mitigation of such risks. In addition, our risk management systems, including our internal and external auditing procedures, internal controls over financial reporting and corporate compliance programs, are designed in part to inform management and our Board of Directors about our material risks. As part of its risk oversight function, our Board of Directors also reviews our strategies for generating long-term value for our stockholders to ensure that such strategies will not motivate management to take excessive risks.

The committees of our Board of Directors help to oversee our material risks within their particular area of concern. Each committee meets regularly with management to ensure that management has properly identified relevant risks and is adequately monitoring, and where necessary taking appropriate action to mitigate, such risks. For example, the Finance and Audit Committee oversees our financial, accounting and regulatory risk management programs and policies. The Finance and Audit Committee meets regularly with our Chief Financial Officer, Chief Audit Executive and representatives of our independent registered public accounting firm to assess the integrity of our financial reporting processes, internal controls and actions taken to monitor and control risks related to such matters. The Finance and Audit Committee also reviews our policies and internal procedures designed to promote compliance with laws and regulations, and meets regularly with our Chief Compliance Officer and General Counsel to assess the status of compliance activities and investigations. In addition, the Compensation and Management Development Committee oversees risks related to our compensation plans and arrangements, the Corporate Governance Committee oversees risks associated with director independence, conflicts of interest and other corporate governance matters, and the Transaction Committee oversees risks associated with potential transactions.

Compensation Risk Assessment

Our Compensation Discussion and Analysis (CD&A) describes our compensation policies, programs and practices for our executive officers. Our goal-setting, performance assessment and compensation decision-making processes described in our CD&A apply to all employees. Our long-term incentive program provides different forms of awards depending upon an employee s level, but is otherwise consistent throughout the Company. We offer a limited number of cash incentive plans, with employees eligible for either our annual cash incentive plan or a sales incentive compensation plan; no employee is eligible to participate in more than one cash incentive plan at any time. Our annual cash incentive plan is consistent for all participants globally, with the same Company performance goals, payout curves and administrative provisions regardless of the participant s job level, location or function in the Company. In our CD&A, we describe the risk-mitigation controls for our compensation programs, including the role of our Compensation and Management Development Committee to review and approve the design, goals and payouts under our annual cash incentive plan and long-term incentive program as well as approving each executive officer s compensation. In addition to this, we have reviewed the processes, controls and design of our sales incentive compensation plans. Based on our assessment, we believe that our compensation policies, programs and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

Finance and Audit Committee Report

The Finance and Audit Committee s role is to act on behalf of the Board of Directors in the oversight of all aspects of Biogen Idec s financial reporting, internal control and audit functions. The Finance and Audit Committee has the sole authority and responsibility to select, evaluate, compensate and replace our independent registered public accounting firm. The roles and responsibilities of the Finance and Audit Committee are set forth in the written charter adopted by the Board of Directors, which is posted on our website, *www.biogenidec.com*, under the Board of Directors Corporate Governance subsection of the About Us section of the site. Management has primary responsibility for the financial statements and the reporting process, including the systems of internal controls.

In fulfilling its oversight responsibilities, the Finance and Audit Committee reviewed and discussed with management the audited consolidated financial statements contained in Biogen Idec s 2009 Annual Report on Form 10-K. The Finance and Audit Committee discussed with PricewaterhouseCoopers LLP, Biogen Idec s independent registered public accounting firm, the overall scope and plans for its audit. The Finance and Audit Committee met with PricewaterhouseCoopers, with and without management present, to discuss the results of its examination, management s response to any significant findings, its observations of Biogen Idec s internal controls, the overall quality of Biogen Idec s financial reporting, the selection, application and disclosure of critical accounting policies, new accounting developments and accounting-related disclosure, the key accounting judgments and assumptions made in preparing the financial statements and whether the financial statements would have materially changed had different judgments and assumptions been made, and other pertinent items related to Biogen Idec s accounting, internal controls and financial reporting. The Finance and Audit Committee also discussed with representatives of Biogen Idec s corporate internal audit staff their purpose and authority and their audit plan.

The Finance and Audit Committee also reviewed and discussed with PricewaterhouseCoopers the matters required to be discussed with the Finance and Audit Committee under generally accepted auditing standards (including Statement on Auditing Standards No. 61). In addition, the Finance and Audit Committee discussed with PricewaterhouseCoopers the independence of PricewaterhouseCoopers from management and Biogen Idec, including the written disclosures and letter concerning independence received from PricewaterhouseCoopers required by applicable requirements of the Public Company Accounting Oversight Board. The Finance and Audit Committee has determined that the provision of non-audit services to Biogen Idec by PricewaterhouseCoopers is compatible with its independence.

During 2009, the Finance and Audit Committee provided oversight and advice to management in connection with Biogen Idec s system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. In connection with this oversight, the Finance and Audit Committee reviewed a report by management on the effectiveness of Biogen Idec s internal control over financial reporting. The Finance and Audit Committee also reviewed PricewaterhouseCoopers Report of Independent Registered Public Accounting Firm included in Biogen Idec s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 related to its audit of the effectiveness of internal control over financial reporting.

In reliance on these reviews and discussions, the Finance and Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in Biogen Idec s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 for filing with the SEC.

The Finance and Audit Committee of the Board of Directors:

Nancy L. Leaming (Chair)

Alexander J. Denner

Caroline D. Dorsa

Robert W. Pangia

Brian S. Posner

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PROPOSAL 2 RATIFICATION OF THE SELECTION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Finance and Audit Committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010. PricewaterhouseCoopers served as our independent registered public accounting firm in connection with the audit for the fiscal year ended December 31, 2009. Although stockholder approval of the Finance and Audit Committee s selection of PricewaterhouseCoopers is not required, our Board of Directors believes that it is a matter of good corporate practice to solicit stockholder ratification of this selection. If our stockholders do not ratify the selection of PricewaterhouseCoopers as our independent registered public accounting firm, the Finance and Audit Committee will reconsider its selection. Even if the selection is ratified, the Finance and Audit Committee always has the ability to change the engagement of PricewaterhouseCoopers if it determines such a change is in Biogen Idec s best interest. Representatives of PricewaterhouseCoopers will attend the Annual Meeting, have the opportunity to make a statement if they so desire, and be available to respond to appropriate questions.

Audit and Other Fees

The following table shows fees for professional audit services billed to us by PricewaterhouseCoopers for the audit of our annual consolidated financial statements for the years ended December 31, 2009 and December 31, 2008, and fees billed to us by PricewaterhouseCoopers for other services provided during 2009 and 2008:

Fees	**2009**	**2008**
Audit fees	$ 3,116,797	$ 3,584,320
Audit-related fees	131,766	71,901
Tax fees*	1,995,053	2,348,734
All other fees	78,106	110,630
Total	$ 5,321,722	$ 6,115,585

* Includes tax compliance fees of $1,416,418 in 2009 and $1,453,207 in 2008.

Audit fees are fees for the audit of our 2009 and 2008 consolidated financial statements included in our Annual Reports on Form 10-K, reviews of consolidated financial statements included in our Quarterly Reports on Form 10-Q, review of the consolidated financial statements incorporated by reference into our Registration Statements on Form S-3 and Form S-8, and statutory audit fees in overseas jurisdictions.

Audit-related fees are fees that principally relate to assurance and related services that are reasonably related to the performance of the audits and reviews of our consolidated financial statements, including audits of employee benefit plan information.

Tax fees are fees for tax compliance and planning services.

All other fees are fees that principally relate to audit procedures performed in connection with one of our collaboration agreements and educational resources.

Policy on Pre-Approval of Audit and Non-Audit Services

The Finance and Audit Committee has the sole authority to approve the scope of the audit and any audit-related services as well as all audit fees and terms. The Finance and Audit Committee must pre-approve any audit and non-audit services provided by our independent registered public accounting firm. The Finance and Audit Committee will not approve the engagement of the independent registered public accounting firm to perform any services that the independent registered public accounting firm would be prohibited from providing under applicable securities laws or NASDAQ requirements. In assessing whether to approve the use of our independent registered public accounting firm to provide permitted non-audit services, the Finance and Audit Committee tries to minimize relationships that could appear to impair the objectivity of our independent registered public accounting firm. The Finance and Audit Committee will approve permitted non-audit services by our independent registered public accounting firm only when it will be more effective or economical to have such services provided by our independent registered public accounting firm than by another firm.

The Finance and Audit Committee annually reviews and pre-approves the audit, audit-related, tax, and other permissible non-audit services that can be provided by the independent registered public accounting firm. Any proposed services exceeding pre-set levels or amounts will require separate pre-approval by the Finance and Audit Committee, although the Chief Accounting Officer can approve up to an additional $50,000 in the aggregate per calendar year for categories of services that the Finance and Audit Committee has pre-approved. In addition, any pre-approved services for which no pre-approved cost level has been set or which would exceed the pre-approved cost by an amount that would cause the aggregate $50,000 amount to be exceeded must be separately pre-approved by the Finance and Audit Committee.

The Finance and Audit Committee has delegated pre-approval authority for non-audit services to the chair of the Finance and Audit Committee within the guidelines discussed above. The chair of the Finance and Audit Committee is required to inform the Finance and Audit Committee of each decision to permit our independent registered public accounting firm to perform non-audit services at the next regularly scheduled Finance and Audit Committee meeting.

All of the services provided by PricewaterhouseCoopers during 2009 were pre-approved in accordance with this policy.

THE FINANCE AND AUDIT COMMITTEE OF OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2010.

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PROPOSAL 3 APPROVAL OF AN AMENDMENT TO OUR 2006 NON-EMPLOYEE DIRECTORS EQUITY PLAN

Our 2006 Non-Employee Directors Equity Plan (Directors Plan) was originally approved by stockholders on May 25, 2006 and has been amended on several occasions. On April 14, 2010, our Board of Directors approved an amendment to the Directors Plan, subject to stockholder approval, to increase the maximum number of shares of our common stock authorized for issuance by an additional 750,000 shares, from 850,000 to 1,600,000 shares. The amendment is intended to replenish the pool of shares available for grant under the Directors Plan, which has been significantly depleted in part due to the election of eight new directors to our Board of Directors since January 2008. Our Board of Directors believes that the Directors Plan is critical to our efforts to attract and retain key talent on our Board of Directors and to encourage ownership of shares of our common stock by our non-employee directors. Furthermore, the Directors Plan will be the sole vehicle from which stock awards to non-employee directors, including our independent Chairman, will be made.

The amendment to the Directors Plan is being submitted for approval by our stockholders in accordance with NASDAQ requirements and will not become effective unless and until it is so approved.

As of April 19, 2010, 189,249 shares were available for grant under the Directors Plan, 12 non-employee directors were eligible to participate in the Directors Plan, and the closing price of our common stock was $54.79.

The principal features of the Directors Plan are summarized below, but this summary is qualified in its entirety by reference to the full text of the Directors Plan as proposed to be amended, which is attached to this Proxy Statement as *Appendix A*.

Administration and Awards

The Directors Plan will be administered by the Compensation and Management Development Committee of our Board of Directors (Committee). The Directors Plan provides the Committee with the authority to make awards to non-employee directors upon their initial election to our Board of Directors and on an annual basis in the form of stock options, stock appreciation rights, restricted stock, restricted stock units or other equity based awards, as determined by the Committee and subject to limitations set forth in the Directors Plan on the maximum number of shares which may be subject to such grants. The Committee may also permit the non-employee directors to elect to receive annual retainers and meeting fees in the form of awards under the Directors Plan.

Upon initial election to our Board of Directors, non-employee directors shall receive an initial award, the amount and type of which shall be determined by the Committee, provided that an initial award cannot exceed 35,000 shares of our common stock (or 50,000 shares for the independent Chairman). Initial grants vest ratably in equal annual installments over three years from the date of grant. In addition, non-employee directors shall receive annual grants effective with the date of each annual meeting of stockholders (or a pro rata grant upon election to our Board of Directors other than at an annual meeting of stockholders), the amount and type of which shall be determined by the Committee, provided that an annual grant cannot exceed 17,500 shares of our common stock (or 30,000 shares for the independent Chairman). Annual grants will vest on the one-year anniversary of the date of grant or over such longer period and in such increments as the Committee may otherwise determine. The maximum size of each award is calculated in accordance with the share counting formula described below in the subsection titled Limitation on Shares.

Awards will be subject to accelerated vesting upon termination of Board service by reason of death, disability, retirement and change of control (as such terms are defined in the Directors Plan). In addition, director awards will become fully vested upon an involuntary termination of Board service within two years following certain mergers or other corporate transactions, as defined in the Directors Plan. Other terms and conditions of each award will be set forth in award agreements. Repricing of outstanding stock options or stock appreciation rights is not permitted without prior stockholder approval.

Eligibility

All non-employee directors of Biogen Idec who are independent under applicable NASDAQ rules are eligible to receive grants under the Directors Plan.

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Limitation on Shares

If stockholders approve the amendment to the Directors Plan, the aggregate number of shares of our common stock which may be granted under the Directors Plan will be 1,600,000 shares. The grant of any award, other than a stock option or a stock appreciation right, shall reduce the number of shares of common stock available for issuance under the Directors Plan by one and one-half (1.5) shares of common stock for each such share subject to the award. The grant of a stock option or a stock appreciation right shall reduce the number of available shares by one (1) share for each share subject to the stock option or stock appreciation right (even if fewer shares are issued upon exercise of the stock appreciation right). Shares subject to an award that remain unissued upon the cancellation, surrender, exchange or termination of the award generally may again become available for grant under the Directors Plan in an amount calculated in accordance with the share counting formula described above.

No award may be granted under the Directors Plan after the tenth anniversary of the effective date of the Directors Plan, which is May 25, 2016.

Stock Options

The Committee may grant non-qualified stock options under the Directors Plan. The exercise price for stock options will be no less than the fair market value of our common stock on the date the stock option is granted. The option term can be no more than ten years. The exercise period for vested options generally terminates three years following termination of Board service due to retirement, one year following death or permanent disability, one year following death that occurs within six months following termination from the Board, immediately upon a termination for cause and six months following all other terminations. In no event, however, may an option be exercised after its expiration date. Payment of the exercise price may be made in any manner permitted by the Committee, including cash, stock of Biogen Idec or broker-assisted cashless exercises. Any option with an exercise price less than the fair market value of our common stock on the last day on which the option is exercisable will be deemed to have been exercised on a net share settlement basis at the close of business on that day.

Stock Appreciation Rights

Stock appreciation rights may be awarded under the Directors Plan. The grant price of a stock appreciation right will be no less than the fair market value of our common stock on the date of its grant. The term of a stock appreciation right may not exceed ten years. The exercise period for vested stock appreciation rights generally terminates three years following termination of Board service due to retirement, one year following death or permanent disability, one year following death that occurs within six months following termination from the Board, immediately upon a termination for cause and six months following all other terminations. In no event, however, may a stock appreciation right be exercised after its expiration date. Upon exercise of a stock appreciation right, the non-employee director shall be entitled to receive payment from us in an amount determined by multiplying the excess of the fair market value of a share of our common stock on the date of exercise over the grant price of the stock appreciation right by the number of shares with respect to which the stock appreciation right is exercised. The payment may be made in cash or stock of Biogen Idec, at the discretion of the Committee. The Committee may also grant a stock appreciation right in tandem with a stock option or substitute stock appreciation rights for outstanding stock options, subject to such terms and conditions as the Committee may establish.

Restricted Stock and Restricted Stock Units

Restricted stock and restricted stock units may be awarded or sold under such terms and conditions as shall be established by the Committee including, without limitation, a requirement that the holder forfeit such shares or units in the event of termination of Board service, other than due to retirement, death or permanent disability, during the period of restriction. Settlement of vested restricted stock units may be made in the form of cash, stock of Biogen Idec or any combination of both, as determined by the Committee.

Dividend Equivalent Rights

The Committee may grant in connection with an award the right to receive dividend equivalent payments upon the payment of a dividend with respect to our common stock. Such dividend equivalent payments may be made subject to restrictions or forfeiture conditions, as determined by the Committee, and will be held in escrow until all restrictions or conditions to the vesting of the common stock underlying the associated award have lapsed.

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Transferability

The Directors Plan provides that an award may not be transferred except in the event of a non-employee director s death, pursuant to a qualified domestic relations order, or as otherwise determined by the Committee.

Amendment and Termination

The Board of Directors may amend or modify the Directors Plan at any time, subject to any stockholder approval required by NASDAQ rules and other applicable laws or regulations.

New Plan Benefits

The number of options or other awards to be granted to our non-employee directors under the Directors Plan cannot be determined. Such awards will be granted in the discretion of the Committee in accordance with the provisions of the Directors Plan.

Other Information

If approved by stockholders, the amendment to the Directors Plan will be effective at the conclusion of the Annual Meeting. Any awards granted before the Directors Plan expires may extend beyond the expiration date of the Directors Plan.

Certain Federal Income Tax Consequences

Set forth below is a discussion of certain U.S. federal income tax consequences with respect to awards that may be granted pursuant to the Directors Plan. The following discussion is a brief summary only and reference is made to the Internal Revenue Code and the regulations and interpretations issued thereunder for a complete statement of all relevant federal tax consequences. This summary is not intended to be exhaustive and does not describe state, local or foreign tax consequences of participation in the Directors Plan.

Stock Options. Stock options granted under the Directors Plan will be non-statutory options not eligible for incentive stock option treatment under the Internal Revenue Code. A director will not be taxed at the time a stock option is granted. In general, a director exercising a stock option will recognize ordinary income equal to the excess of the fair market value on the exercise date of the stock purchased over the option price. Upon subsequent disposition of the stock purchased, the difference between the amount realized and the fair market value of the stock on the exercise date will constitute a capital gain or loss, which will be long-term or short-term depending on whether the purchased shares have been held for more than one year from the exercise date. We will not recognize income, gain or loss upon the granting of a stock option. Upon the exercise of such an option, we are generally entitled to an income tax deduction equal to the amount of ordinary income recognized by the director.

Stock Appreciation Rights. A director will not be taxed at the time a stock appreciation right is granted. Upon exercise of a stock appreciation right, the director will recognize ordinary income in an amount equal to the cash or the fair market value of the stock received on the exercise date. We generally will be entitled to a deduction in the same amount and at the same time as the director recognizes ordinary income.

Restricted Stock. In general, a director who has received restricted stock, and who has not made an election under Section 83(b) of the Internal Revenue Code to be taxed upon receipt, will include in gross income as compensation income an amount equal to the fair market value of the restricted stock at the earlier of the first time the rights of the director are transferable or the restrictions lapse. We are generally entitled to a deduction at the time that the director is required to recognize ordinary income.

Restricted Stock Units. A director who is awarded restricted stock units will not recognize income and we will not be allowed a deduction at the time the award is made. When a director receives payment for restricted stock units in shares of common stock or cash, the fair market value of the shares or the amount of the cash received will be ordinary income to the director and we will generally be allowed a deduction for federal income tax purposes.

OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF AN AMENDMENT TO OUR 2006 NON-EMPLOYEE DIRECTORS EQUITY PLAN TO INCREASE THE NUMBER OF SHARES AVAILABLE FOR ISSUANCE FROM 850,000 SHARES TO 1,600,000 SHARES.

STOCK OWNERSHIP

The following table and accompanying notes provide information about the beneficial ownership of our common stock by:

- each stockholder known by us to be the beneficial owner of more than 5% of our common stock;
- each of our named executive officers (listed in the Summary Compensation Table);
- each of our current directors and nominees for Class 1 director; and
- all of our current directors and executive officers as a group.

Except as otherwise noted, the persons identified have sole voting and investment power with respect to the shares of our common stock beneficially owned. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to the shares. Except as otherwise noted, the information below is as of April 19, 2010 (Ownership Date).

Name	Shares Beneficially Owned	Shares Subject to Exercisable Options and Restricted Stock Units(1)	Percentage of Outstanding Shares(2)
PRIMECAP Management Company(3) 225 South Lake Avenue, Suite 400 Pasadena, CA 91101	24,925,979		9.3%
BlackRock, Inc.(4) 40 East 52nd Street New York, NY 10022	23,130,164		8.7%
ClearBridge Advisors, LLC(5) 620 8th Avenue New York, NY 10018	20,251,832		7.6%
FMR LLC(6) 82 Devonshire Street Boston, MA 02109	17,241,510		6.5%
Goldman Sachs Asset Management, L.P.(7) 32 Old Slip New York, NY 10005	16,116,630		6.0%
Carl C. Icahn(8) c/o Icahn Associates Corp. 767 Fifth Avenue, Suite 4700 New York, NY 10153	16,075,256		6.0%
Susan H. Alexander	20,993	108,260	*
Paul J. Clancy	20,730	135,647	*
Alexander J. Denner(9)		19,887	*

Caroline D. Dorsa			
Robert A. Hamm	5,974	82,945	*
Hans Peter Hasler(10)			
Nancy L. Leaming	1,740	39,454	*
James C. Mullen(11)	120,773	1,287,506	*
Richard C. Mulligan		19,887	*
Robert W. Pangia	6,100	95,495	*
Stelios Papadopoulos	2,050	25,587	*
Brian S. Posner	1,750	24,787	*
Bruce R. Ross	7,410	99,115	*
Eric K. Rowinsky			
Lynn Schenk(12)	7,600	60,495	*
Craig Eric Schneier(13)	3,892	131,610	*
Stephen A. Sherwin			
William D. Young	5,600	95,495	*
Executive officers and directors as a group (19 persons)(14)	218,955	2,270,639	0.9%

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* Represents beneficial ownership of less than 1% of our outstanding shares of common stock.

(1) Includes options that will become exercisable, and restricted stock units that will vest, within 60 days of the Ownership Date.

(2) The calculation of percentages is based upon 266,999,801 shares outstanding on the Ownership Date, plus shares subject to options held by the respective person that are currently exercisable or will become exercisable within 60 days of the Ownership Date and restricted stock units held by the respective person that will vest within 60 days of the Ownership Date.

(3) Based solely on information as of December 31, 2009 contained in a Schedule 13G/A filed with the SEC by PRIMECAP Management Company on February 11, 2010, which also indicates that it has sole voting power over 5,974,314 shares.

(4) Based solely on information as of December 31, 2009 contained in a Schedule 13G filed with the SEC by BlackRock, Inc. on January 29, 2010.

(5) Based solely on information as of December 31, 2009 contained in a Schedule 13G/A filed with the SEC by ClearBridge Advisors, LLC on February 12, 2010, which also indicates that it has sole voting power over 16,048,227 shares.

(6) Based solely on information as of December 31, 2009 contained in a Schedule 13G/A filed with the SEC by FMR LLC, Edward C. Johnson III and Fidelity Management & Research Company on February 16, 2010, which also indicates that FMR LLC and Edward C. Johnson III each have sole dispositive power over 17,241,510 shares and FMR LLC has sole voting power over 1,929,871 shares.

(7) Based solely on information as of December 31, 2009 contained in a Schedule 13G filed with the SEC by Goldman Sachs Asset Management, L.P. and GS Investment Strategies, LLC on February 12, 2010, which also indicates that they have shared dispositive power over 16,116,630 shares and shared voting power over 14,145,044 shares.

(8) Based solely on information as of January 27, 2010 contained in a Schedule 13D/A filed with the SEC on January 28, 2010 by Carl C. Icahn and entities affiliated with Mr. Icahn, which also indicates that such shares include 3,215,051 shares held by High River Limited Partnership, 4,532,847 shares held by Icahn Partners LP, 5,888,807 shares held by Icahn Partners Master Fund LP, 1,761,077 shares held by Icahn Partners Master Fund II LP and 677,474 shares held by Icahn Partners Master Fund III LP, and that Mr. Icahn has shared dispositive power and shared voting power over 16,075,256 shares.

(9) Dr. Denner is Managing Director of entities affiliated with Carl C. Icahn and may be deemed to have beneficial ownership of some or all of the 16,075,256 shares of common stock held by Mr. Icahn and entities affiliated with Mr. Icahn. Dr. Denner disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

(10) Mr. Hasler, a named executive officer for 2009, resigned as Chief Operating Officer effective March 30, 2009.

(11) Includes 75,000 shares held in trusts of which Mr. Mullen is the trustee.

(12) Includes 5,550 shares held in a trust of which Ms. Schenk is the trustee.

(13) Includes 460 shares held by spouse.

(14) Includes 81,010 shares held indirectly (by spouse or through trust, partnership or otherwise).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires our executive officers, directors and greater-than-ten-percent stockholders to file initial reports of ownership and changes of ownership. As a practical matter, we assist our directors and executive officers by monitoring transactions and completing and filing Section 16 forms on their behalf. Based solely on information provided to us by our directors and executive officers, we believe that during 2009 all such parties complied with all applicable filing requirements.

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EXECUTIVE COMPENSATION AND RELATED INFORMATION

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

Our Compensation and Management Development Committee (which is referred to in this section of the Proxy Statement as the Committee or as the Compensation Committee) oversees and administers our executive compensation programs. The Committee s complete roles and responsibilities are set forth in the written charter adopted by our Board of Directors, which can be found at our website, *www.biogenidec.com,* under the Board of Directors Corporate Governance subsection of the About Us section of the site.

Changes to our Compensation Programs for 2010

Beginning in 2010, we changed our long-term incentive (LTI) program so that all LTI awards granted to our executive officers and other executives will be performance based. Our 2010 LTI program consists of cash-settled performance shares and market stock units, replacing our 2009 LTI award mix of time-vested restricted stock units, performance-vested restricted stock units and time-vested stock options.

Cash-settled performance shares have a one-year performance period which will reinforce the importance of achieving and exceeding our revenue and earnings goals. These awards also support the Company s employee retention objectives through a three-year vesting period. Because these awards will be settled in cash at vesting based on the then-current 60-calendar day trailing average share price, these awards are also aligned to share price performance. Since no shares are issued, these awards will not dilute shareholders equity. Market stock units are restricted stock units with the number of units earned based on stock price performance (measured as a 60-calendar day trailing average) between the date of grant and each of the four annual vesting dates. This ties executive compensation over the four-year vesting period even more directly to our share price performance.

Consistent with our compensation philosophy, we monitor external pay data and adjust our compensation opportunities to reflect our targeted competitive positioning. The average base salary increases effective in 2010 for all of our executive officers averaged less than 5%. Our target annual cash incentive opportunity percentages for 2010 are comparable to the median of our peer group, and are unchanged from the levels we set in 2009. Based on market benchmark data, we increased our 2010 LTI grant guideline values for our Executive Vice Presidents; despite this increase, these guideline values are below the median of the values granted by our market peers.

Independent Compensation Consultants

In addition to the assistance provided by Biogen Idec s internal Compensation and Benefits group, the Committee currently engages Frederic W. Cook & Co., Inc (Cook) as an independent compensation consultant. Cook replaced Watson Wyatt Worldwide (Watson Wyatt) in this role in July 2009. Cook reports directly to the Committee to provide guidance on matters including trends in executive and non-employee director compensation, the development of specific executive compensation programs, the composition of the Company s compensation peer group and other matters as directed by the Committee.

During 2009, the Company paid Cook $126,653 in consulting fees and paid Watson Wyatt $148,716 in consulting fees directly related to services performed for the Committee. During the same period, the Company paid a Watson Wyatt affiliate $17,945 for actuarial services with respect to our pension plan in Germany; this service was a continuation of a pre-existing business relationship between our German affiliate and a company that was acquired by Watson Wyatt. Cook does not provide any other services to Biogen Idec.

Executive Compensation Philosophy and Objectives

Our compensation program for the named executive officers (the individuals named in the Summary Compensation Table) is designed and implemented based on our pay-for-performance compensation philosophy. We place significant emphasis on performance-based pay and on highly differentiated awards based on individual performance and potential to contribute to the long-term success of the Company. We want and need the best people

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to be excited and motivated to work at Biogen Idec and we believe our compensation program is a key factor in attracting and retaining this talent.

Our compensation, benefits and other workplace programs (total compensation program) have been selected and designed to achieve the following objectives:

- to offer a total compensation opportunity that is competitive with organizations with which we compete for talent;
- to allow us to attract and retain superior talent that can effectively perform and succeed in our demanding business environment;
- to support our meritocracy by ensuring that our top performers receive rewards that are substantially greater than those received by average performers at the same position level; and
- to deliver pay in a cost and tax efficient manner that aligns employees rewards with stockholders long-term interests.

We consider stockholders perspectives in the design of our total compensation program, our selection of compensation elements, and in compensation decision-making.

What is our compensation program designed to reward?

The compensation program rewards financial, strategic and operational performance that is achieved in a manner consistent with the Company s policies and values. Our success in meeting our compensation objectives depends heavily on effective execution of our performance management system.

How do goal-setting and performance assessment influence our compensation decisions?

Our compensation program rewards each executive based on the Company s achievement of Company-wide goals and the executive s achievement of specific individual goals and objectives. Each year, our executives goals are set to directly support achievement of our Company goals and our Board-approved business plan. The individual and Company goals that we set and measure performance against each year, including 2009 and prior years, can be grouped into the following categories:

- Financial goals linked to Company revenue, earnings per share (EPS) and other measures of financial performance, such as expense management.
- Strategic goals related to furthering the Company s long-term success, such as goals related to the Company s product pipeline or business development.
- Operational measures of operational performance, such as our production capacity and capability, the quality and execution of our leadership development program and effective recruitment, development and retention of talented employees.

The goals we set are tied directly to the Company s annual budget and support our long range plan. In preparing our long range plan and setting our annual goals, the Company also considers analysts projections for our Company s performance; analysts projections for our peers performance; the broader economic and industry picture; our past variance to targeted performance; our peers past performance on key financial and operational metrics; and our Board of Directors expectations for the Company s performance. Through these considerations, our goals support the interests of our stockholders by establishing challenging performance targets for the Company and our executives. We consistently follow a disciplined approach to goal selection, setting of targets and establishment of payout curves and evaluation of our performance results, and validate it with our internal controls. The Committee is responsible for the review and approval of our goals, targets, payout curves and performance results. To reduce the likelihood of inappropriate risk-taking, we also maintain policies for share ownership and recoupment of compensation; cap payments under our annual cash incentive plan and our performance-vested restricted stock units; and require multi-year vesting of LTI. A discussion of our compensation risk assessment is set forth above in the subsection titled Proposal 1, Election of Directors Compensation Risk Assessment.

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Our performance management system is rigorous and integrates goal-setting, self-assessment and manager-based assessment of performance and leadership competencies. Results, and how those results are attained, are critically important. We hold our executive officers accountable for how they achieve their results, including leadership effectiveness, impact across the organization and performance and impact relative to the Company s other executive officers. Based on our performance assessments, we develop a relative ranking of our executive officers and then assign overall performance ratings that are used for compensation decision-making. We significantly differentiate compensation based on the executive officers relative rankings and overall performance ratings to ensure that the highest rewards are delivered to our highest performers. For example, all payments under our annual cash incentive plan are determined based on both Company and individual performance.

Compensation Program Elements and Pay Level Determination

What is each element of compensation and why is it paid?

The Committee determines the elements of our compensation program and approves the targeted levels of competitiveness relative to our compensation peer group. The compensation program elements apply to all levels of employees, including our non-executives, executives and executive officers. The role and purpose for each element of total compensation is as follows:

Element	**Role and Purpose**
Base Salary	Attract employees and recognize their skills and contributions in the day-to-day management of our business.
Annual Cash Incentives	Motivate the attainment of annual financial, strategic and operational goals that are aligned with and supportive of long-term value creation.
Long-term Incentives	Align employees interests with those of our stockholders. Promote employee retention and stock ownership, and hold employees accountable for enhancing stockholder value. Deliver competitive compensation opportunities in a manner that balances cost and tax efficiency with perceived value by employees.
Benefits	Non-Retirement Benefits: promote health, wellness and financial protection in the event of disability or death. Retirement Benefits: provide efficient ways for employees to save towards their retirement, and encourage savings through competitive matches to employees retirement savings.

None of our executive officers is eligible to participate in a defined benefit pension plan, even though many of our pharmaceutical industry peers provide these benefits. We prefer an LTI program with award values targeted above the median of our peer group rather than a defined benefit pension because it ties the value realized to our share price performance and makes the cost more predictable than the cost of a defined benefit pension.

Each year, the Committee reviews the current compensation program design for its alignment with and support of our pay-for-performance objectives, its overall efficiency and cost-effectiveness, and its design and overall value relative to our peers practices and general trends. The Committee also discusses program design recommendations and approves changes to ensure that each compensation element and the overall program design are aligned with their intended role and purpose.

While the general mix of the elements is considered in the design of our total compensation program, the Committee does not target a specific mix of value for our compensation elements in either the program design or pay decisions. To more closely tie their compensation to the Company s overall performance, and to recognize their ability and obligation to affect that performance, our executive officers have more variability in their compensation than non-executives.

Our performance-driven approach creates a motivational aspect to our compensation programs, since base salary increases, annual incentive payments and long-term incentive awards are all performance-differentiated based on each executive officer s overall performance rating and relative rank, and the value realized from LTI awards is based on our Company performance relative to financial goals and our share price performance.

What factors are considered in determining the amounts of compensation?

Individual and Company performance, external competitiveness, employee retention, internal equity (the relationship of pay among the executive officers in the context of the criticality of each position) and our annual salary increase budget and LTI award guidelines are the key factors considered by the Committee in determining the amounts of compensation for each executive officer. Our practices and processes are highly consistent from year to year, as described in this section.

Each year, the Chief Executive Officer (CEO) prepares and discusses with the Committee a detailed assessment of each executive officer s performance during the prior year and recommends compensation actions for each executive officer, including new base salaries, annual cash incentive payments and LTI awards. To understand external competitiveness, the CEO and the Committee review a detailed report prepared by Biogen Idec s Compensation and Benefits group and reviewed by the Committee s consultant. The report compares the level of compensation of each executive officer other than the CEO relative to external data for comparable positions at our peers, by compensation element. The external data is drawn from compensation surveys and an analysis of our peers executive compensation disclosures.

Based on all of these factors, the CEO makes recommendations to the Committee for compensation actions for each executive officer. The Committee considers all of the information presented, discusses the CEO s recommendations with the CEO and with its consultant and applies its judgment to determine the compensation for each executive officer.

Separately, in 2009 Watson Wyatt provided the Committee with a competitive analysis of CEO pay relative to our external data for comparable positions at our peers, a CEO compensation tally sheet and employment agreement analysis, and a CEO pay-for-performance analysis that compares annual cash incentive payments and potential LTI award value relative to revenue, EPS and total shareholder return (TSR) performance at our Company and at each of our peers. In consultation with its consultant, the Committee annually recommends a new base salary, an annual cash incentive payment and LTI awards for the CEO for approval by all independent (non-employee) directors. As the CEO is retiring in June 2010, this analysis was not conducted during 2010.

The actual compensation for each executive officer, including the CEO, may be above or below the targeted competitiveness for the position at any time depending on the factors listed in the first paragraph of this section.

What external market peer group is used for compensation comparisons, and how is it established?

Each year, the Committee s consultant reviews our peer group for appropriateness, considering such factors as size (e.g., revenue and market capitalization), business comparability (e.g., research-based with multiple marketed products) and geographic scope of operations (e.g., global versus domestic-only presence). Our peer group includes biotechnology and pharmaceutical companies, as we compete with companies in both of these sectors to hire and retain our executives. Based on the 2009 peer group review, the Committee removed Millennium Pharmaceuticals from the peer group as a result of being acquired in 2008. The following table presents the peer group approved in May 2009:

Biotechnology Peers	**Pharmaceutical Peers**
Amgen	Allergan
Celgene	Bristol-Myers Squibb
Cephalon	Eli Lilly & Co

Genentech	Forest Laboratories
Genzyme	Schering-Plough
Gilead Sciences	Sepracor
	Wyeth

In addition to these 13 named peers, the Committee selected three companies King Pharmaceuticals, Mylan and Watson Pharmaceutials which will also be referenced when making compensation decisions beginning in 2010.

Our compensation decisions during 2009 were based on the peer group before the selection of King, Mylan and Watson. After our compensation decisions in early 2010, we expect that Genentech, Schering-Plough, Sepracor and

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Wyeth will no longer be part of our peer group as a result of being acquired. If other peer group companies are acquired, they will remain in our peer group until the acquisition is complete.

For each of our peers, we analyze the Compensation Discussion and Analysis and other data filed during the prior year to identify those named executive officers whose positions are comparable to those held by our executive officers. We then compile and analyze the data for each comparable position relative to that for our executive officers. Our competitive analysis includes the rewards program structure and design, as well as the value of the compensation.

We also use the *Towers Perrin U.S. CDB Pharmaceutical Executive Compensation Database* (Towers Perrin) and the *SIRS Executive Compensation Survey* (SIRS) in analyzing the competitiveness of executives compensation. For purposes of data for our early 2009 compensation decision-making, all of our named peers except Sepracor participated in the Towers Perrin survey and all of our named peers except Bristol-Myers Squibb, Cephalon and Eli Lilly participated in the SIRS survey. Our analyses from these surveys are based on reports including only those companies that are in our peer group. Benchmark compensation surveys are critical to assessing competitive practices and levels of compensation, as the data available in our peers public filings addresses only a limited number of our executive positions. We carefully selected these two benchmark compensation surveys based on the number of our peers that participate in the surveys, the number of positions reported by the surveys that are comparable to our executive positions and the standards under which the surveys are conducted, including data collection and analysis methodologies, provisions to ensure confidentiality and quality assurance practices.

While the Towers Perrin and SIRS benchmark compensation surveys report LTI data, differences between the surveys in methodology and reporting result in LTI data that is not comparable between the sources. As a result, we separately benchmark LTI practices and values for our executive officers based on data available in our peers public filings and based on data reported for those of our peers that participate in a survey of LTI practices and grant values conducted by Buck Consultants. For purposes of data for our LTI decisions during 2009, all of our named peers except Bristol-Myers Squibb, Celgene, Forest Laboratories, Schering-Plough and Wyeth participated in this survey.

Description of the structure of each element of compensation

Base salaries are set in the context of individual performance, external competitiveness, retention and internal equity

We pay our executive officers a base salary to provide a baseline level of compensation that is both competitive with the external market and commensurate with each employee s past performance, experience, responsibilities and potential to contribute to our future success. While an executive officer s contributions to Company performance are important in determining that executive s base salary, overall Company performance does not influence our base salaries. In recommending and determining individual base salaries, the CEO and Committee consider the factors described in the previous section of this report. Base salary increases from 2008 to 2009 for our named executive officers averaged 5% and ranged from 4% to 7%, excluding our CEO who declined any base salary increase in 2009. These increases were approved in February 2009 as part of our annual compensation planning process. The 2009 base salary for each of our named executive officers was below the market median.

Annual cash incentives motivate our executive officers to meet and exceed our short-term goals

We maintain an annual cash incentive plan as part of our performance-based compensation program. Our annual incentive opportunities, which are expressed as a percentage of base salary, are targeted near the median of our peers. The Committee reviews our annual target incentive opportunities each year to ensure they are competitive. For 2009, we increased the target annual cash incentive opportunities for our Chief Operating Officer and our Executive Vice Presidents to 75% and 55% of annual base salary, respectively; the approved targets reflected the median targets provided by our peers. The 2009 target total cash compensation (base salary plus annual cash incentives at target performance) for each of our named executive officers was below the market median.

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The Committee approves all Company goals for the annual cash incentive plan based on its review and discussion of recommendations made by the CEO. Our process for developing recommended goals is discussed earlier under the heading How do goal-setting and performance assessment influence our compensation decisions? Executive officers individual performance goals are jointly developed by the executive and the CEO, and are approved by the Committee. The CEO s goals and year-end assessment are also approved by the Committee with input from the Chairman and the other independent directors. In setting and approving the performance goals for the executive officers and for the Company, the Committee considers the alignment to our business plan and the degree of difficulty of attainment and the potential for the goals to encourage inappropriate risk-taking. The Committee has determined that the goals and how the goals are achieved do not put our patients, investors or the Company at any material risk.

For the 2009 Annual Cash Incentive Plan, we selected Company goals and assigned weights that reflected the Company s established financial, strategic and operational objectives. In 2009, we assigned a total of 70% weight to financial goals and 30% to strategic and operational goals. These goals and weights reflected the importance of linking reward opportunities to both near-term and longer-term results, and aligned management incentives with the enhancement of long-term stockholder value.

We consistently set our performance targets based on the annual budget and long-range plan approved by our Board of Directors and with reference to analyst consensus for Biogen Idec revenue and non-GAAP EPS based on the most-current analyst reports at the time we set our targets. The following presents our targets relative to analyst consensus for the years 2007 through 2009.

	2007		**2008**		**2009**	
	Revenue	**Non-GAAP EPS**	**Revenue**	**Non-GAAP EPS**	**Revenue**	**Non-GAAP EPS**
Wall Street Estimates						
High	$ 3,335	$ 2.96	$ 3,946	$ 3.55	$ 4,940	$ 4.44
Average	$ 3,094	$ 2.57	$ 3,542	$ 3.21	$ 4,472	$ 3.96
Low	$ 2,935	$ 2.32	$ 3,351	$ 2.74	$ 4,134	$ 3.36
Biogen Idec Targets						
Target	$ 3,116	$ 2.53	$ 3,806	$ 3.35	$ 4,418	$ 4.15
Biogen Idec Target vs. Wall Street Average	101 %	98 %	107 %	104 %	99 %	105 %

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The following table shows the Company goals and weighting that the Committee set for the 2009 Annual Cash Incentive Plan and our degree of attainment of these goals.

2009 Annual Cash Incentive Plan Company Targets and Results

Company Goals	**Weight**	**Target Performance Range**			**Results**	**Payout Factor for 2009 Plan Year**
		Threshold	**Target**	**Maximum**		
Revenue(1)	35%	$ 4,243M	$ 4,418M	$ 4,593M	$ 4,296M	65%
		Below-target revenue performance reflects 7% growth over 2008, with growth limited by, among other factors, (1) a decline in RITUXAN revenues outside the U.S. (due to expiration of certain royalty rights); and (2) increased participation in our AVONEX Access Program, which provides free product to eligible patients.				
Earnings Per Share(2)	35%	$ 3.90	$ 4.15	$ 4.40	$ 4.31	132%
		We recorded our sixth consecutive year of double-digit EPS growth and exceeded the average Wall Street estimates at the time our 2009 EPS performance metrics were approved.				
Advance early stage pipeline via 10 stage transitions by year-end	9%	Nine early stage pipeline transitions were completed during 2009.				75%
Initiate registrational program	6%	Registrational program for PEG IFN was initiated in 2009.				100%
Maintain timelines of 5 current registrational programs	12%	All specified programs remained on-track to specified timelines.				100%
Execute TYSABRI life cycle management objectives	3%	Validated anti-JCV assay established to evaluate stratification of PML risk, but TYSABRI Landmark Study not initiated until 2010.				67%
Weighted Company Performance (Company Multiplier)						96%

Notes to table:

(1) For purposes of the 2009 Annual Cash Incentive Plan, this performance metric is based on reported revenue adjusted to reflect the foreign exchange rate used to establish the target performance range. Our reported revenue for 2009 was $4,377M. For purposes of determining the annual cash incentive, we reduced our reported revenue by $81M due to favorable foreign exchange rate impact included in our reported revenue.

(2) For purposes of the 2009 Annual Cash Incentive Plan, this performance metric is based on non-GAAP EPS with further adjustments as described below. The reconciliation from GAAP to non-GAAP EPS is comprised of adjustments related to the impact of: amortization of acquired intangible assets; charges related to stock options;

restructuring related matters; expenses paid to us by Cardiokine Biopharma LLC; and the tax effect of these adjustments. Our reported non-GAAP EPS for 2009 were $4.12. For annual cash incentives, we reduced non-GAAP EPS by: (1) $0.02 per share to reflect the net benefit to EPS of the share repurchase activity and (2) $0.17 per share to reflect favorable settlement of income tax reviews and the favorable impact of changes in state tax laws; and we increased non-GAAP EPS by $0.38 to exclude the effect of the up-front payment in 2009 associated with the licensing arrangement with Acorda Therapeutics Inc.

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We determine the individual cash incentive payments using the following calculation:

Company Multiplier x Individual Multiplier x Incentive Target (%) x Annual Base Salary

The plan provides for a range of payout from 0% to 150% for each Company goal and the Company Multiplier as a whole, and from 0% to 150% for the Individual Multiplier. If either the Company Multiplier or the Individual Multiplier is 0%, there is no payout. If maximum performance were achieved on both the Company Multiplier and an Individual Multiplier, a payout of 225% of target (150% x 150%) would be made. The Individual Multiplier reflects each executive s overall performance rating and ranking as part of our performance assessment process, which is discussed earlier in this section.

Based on the results described above, a 96% Company Multiplier for the 2009 Annual Cash Incentive Plan was approved by the Committee. Based on performance against their individual goals, our named executive officers Individual Multipliers for 2009 ranged from 85% to 115% with an average of 102%. The actual incentive payments are included in the Summary Compensation Table.

Long-term incentives align future earnings potential with Company performance and stockholder interests

Our LTI award grant values are scaled based on individual performance and our awards provide opportunities that align compensation with stockholder interests and Company performance. Additionally, through multi-year vesting our LTI grants reinforce our goal to retain top talent. Each year the Committee determines the types of LTI to be awarded. In doing so the Committee considers the effectiveness of each award type in achieving our compensation objectives (such as employee performance, retention, motivation and attraction), the needs of the business, competitive market practices, dilution and expense constraints, and tax and accounting implications.

During 2008, the Committee evaluated program designs for 2009 that were developed by management and reviewed by Watson Wyatt, serving as consultant to the Committee at that time. Based on these recommendations, including a detailed review of competitive practice among our peers, the Committee approved a program that awarded stock options, performance-vested restricted stock units and time-vested restricted stock units to our executive officers. During 2009, the total grant date value of each award was divided evenly between those three award types. We typically grant LTI to all employees, including our executive officers, annually based on performance (annual merit grants) and upon hire. Based on our review of competitive trends, during 2010 we ended our practice of granting LTI upon promotion.

Performance-vested restricted stock units were adopted to reinforce the importance of achieving our revenue and earnings measures of Company financial performance. Use of performance-vested LTI awards has become increasingly common and a recognized best practice for increasing the proportion of compensation that is considered performance based while strengthening alignment of our compensation programs with stockholders interests.

The following table shows the Company goals and weighting that the Committee set for the 2009 performance-vested restricted stock units and our degree of attainment of these goals.

2009 Performance-Vested Restricted Stock Unit Company Targets and Results

		Target Performance Range				
Company Goals	**Weight**	**Threshold**	**Target**	**Maximum**	**Results**	**Payout Factor for 2009 Plan Year**

Revenue(1)	50%	$ 4,243M	$ 4,418M	$ 4,593M	$ 4,296M	33%
Earnings Per Share(2)	50%	$ 3.90	$ 4.15	$ 4.40	$ 4.31	66%
Weighted Company Performance (Company Multiplier)						99%

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Notes to table:

(1) For purposes of the performance-vested restricted stock units, this performance metric is based on reported revenue adjusted to reflect the foreign exchange rate used to establish the target performance range. Our reported revenue for 2009 was $4,377M. To determine the number of performance-vested restricted stock units, we reduced our reported revenue by $81M due to favorable foreign exchange rate impact included in our reported revenue.

(2) For purposes of the performance-vested restricted stock units, this performance metric is based on non-GAAP EPS with further adjustments as described below. The reconciliation from GAAP to non-GAAP EPS is comprised of adjustments related to the impact of: amortization of acquired intangible assets; charges related to stock options; restructuring related matters; expenses paid to us by Cardiokine Biopharma LLC; and the tax effect of these adjustments. Our reported non-GAAP EPS for 2009 were $4.12. To determine the number of performance-vested restricted stock units, we reduced non-GAAP EPS by: (1) $0.02 per share to reflect the net benefit to EPS of the share repurchase activity and (2) $0.17 per share to reflect favorable settlement of income tax reviews and the favorable impact of changes in state tax laws; and we increased non-GAAP EPS by $0.38 to exclude the effect of the up-front payment in 2009 associated with the licensing arrangement with Acorda Therapeutics Inc.

Based on this performance result, in 2010 we cancelled 1% of the number of performance-vested restricted stock units in each performance-vested restricted stock unit grant awarded in 2009. The remaining performance-vested restricted stock units in each grant are eligible to vest on each of the first three anniversaries of the grant date, assuming the executive s continued employment with the Company on the vesting dates.

In 2009, we continued to grant stock options, as they promote alignment with our stockholders and qualify as performance-based pay under the Internal Revenue Code. Stock option grants also promote retention as they vest annually over the four-year period following grant. We granted time-vested restricted stock units to reflect competitive practices and to align executives interests with those of stockholders while promoting retention by providing some level of value regardless of our stock price at any given time. Time-vested restricted stock units granted in conjunction with our 2009 annual merit grant vest annually over the three years following grant. In addition to their strong retention value, we believe that time-vested restricted stock units support an ownership mentality, which encourages our executives to act in a manner consistent with the long-term interests of the Company and its stockholders. As noted above in the subsection titled Changes to our Compensation Programs for 2010, we have changed our form of LTI awards in 2010 to further reinforce these same objectives.

2009 LTI grant values reflected market practice and executive performance

Before approving our 2009 target LTI grant values, the Committee reviewed data on our peers LTI grant values from the Buck Consultants survey described above in the subsection titled What external market peer group is used for compensation comparisons, and how is it established? and publicly available data for LTI compensation expense and aggregate share usage among Biogen Idec s peers. Based on these external factors, as well as Company performance and analyses of accounting cost implications and employee retention, the Committee approved target LTI grant values for 2009, reducing the target for our Executive Vice Presidents by 10% from our 2008 target LTI grant values. The resulting target LTI grant values for 2009 were also below the 60th percentile of the data for our peers.

Our LTI grant guidelines significantly differentiate LTI grants based on individual performance and position level. As in prior years, the 2009 LTI grant guidelines approved by the Committee were segmented by overall performance rating, ensuring that top performing employees receive noticeably larger grants than those with average performance. Specifically, our 2009 LTI grant guidelines for our middle-performing employees ranged from 75% to 125% of the target grant value, the guidelines for our highest-performing employees ranged from 130% to 200% of the target grant value, and LTI grant guidelines for our lowest-performing employees ranged from 0% to 60% of the target grant value. This approach allows us to meaningfully reward and effectively retain those employees who have the demonstrated potential to make the greatest contributions to our long-term success and to differentiate their rewards from those received by other employees.

We have a consistent annual grant pattern that follows the completion of our internal performance reviews and ranking as well as our external analyses that include a review of peer equity practices and the results of the LTI custom survey described earlier. Since 2004, we have made our annual merit equity grant in February of each year following our annual earnings release. The date of each annual merit grant is the date upon which the Committee approves the individual grants with the exception of grants to the CEO for whom grants require Board of Directors approval and are thus granted on the date of that approval. Other grants, such as those in connection with a new hire or promotion, are granted on the first trading day of the month following the date of hire or promotion. Our stock options have an exercise price equal to the closing price of Biogen Idec stock on the date of grant.

Our LTI grants to our named executive officers in 2009 reflected their contributions to our exceptional results in 2008 and ranged from 123% to 175% with an average of 135% of the target LTI grant value. The value realized from the stock option and restricted stock unit grants depends on our stock price, which is dependent on both our Company s performance and external market factors, while the value realized from the performance-vested restricted stock unit grants depends on our 2009 Company revenue and EPS performance (as described above) and our stock price.

Benefits

In addition to participating in the benefit programs provided to all employees (for example, our employee stock purchase plan and medical, dental, vision, life and disability insurance), we provide some supplemental benefits to executives. These benefits include:

Life Insurance. All of our United States executives, including our named executive officers, receive Company-paid term life insurance equal to three times annual base salary, up to a maximum benefit of $1,500,000; this cap does not apply to the life insurance benefit provided to the CEO. Employees who are not executives receive Company-paid term life insurance equal to two times their annual base salary. The additional value of Company-provided life insurance for our executive officers reflects competitive practices and is consistent with our philosophy to provide appropriate levels of financial security for all of our employees. The cost of Company-paid life insurance in excess of a $50,000 insurance level is taxable income to United States employees. Mr. Hasler was provided life insurance equal to one times his annual base salary, consistent with Swiss competitive practice and the structure of our benefits program for management employees of our Swiss affiliate.

Tax Preparation, Financial and Estate Planning. Our named executive officers are eligible for reimbursement of expenses incurred for tax preparation, financial and/or estate planning services, as well as the purchase of tax preparation and/or financial planning software. Such reimbursements are considered taxable income to the executives and are subject to annual limits of $7,500, except our CEO whose annual limit is $50,000. None of our named executive officers received reimbursement in excess of the limit.

Automobile Allowance. Consistent with the benefits available to all management employees of our Swiss affiliate, Mr. Hasler received a monthly automobile allowance. Under the structure of our Swiss automobile allowance program, a portion of the allowance was non-taxable and the balance was taxable to Mr. Hasler.

Expense Allowance. Consistent with the benefits available to management employees of our Swiss affiliate, Mr. Hasler received a monthly allowance for expenses, known locally as a representation allowance. This allowance was provided to cover each expense incurred that was less than CHF 50; Mr. Hasler was allowed under our expense reimbursement policies to only request reimbursement for items of CHF 50 or more.

Retirement Plans

We maintain a Supplemental Savings Plan (SSP) which covers our United States executive officers and other management employees in the United States. We offer this plan as part of the retirement savings component of our benefits program and designed it to be competitive with the nonqualified deferred compensation plans offered by our peers. Details of the SSP are presented in the narrative preceding the 2009 Non-Qualified Deferred Compensation Table.

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Post-termination Compensation and Benefits

We provide severance benefits to all of our executives if they are terminated without cause or in certain other instances following a corporate transaction or a change in control. The terms of these arrangements and the amounts payable under them are described below for each named executive officer in the subsection titled Potential Payments Upon Termination or Change in Control. We provide these benefits because we believe that some protection is necessary to enable executives to maintain their focus when we expect them to provide appropriate advice to the Company about a potential corporate transaction or change in control, and to demonstrate effective leadership in the closing and integration of approved transactions.

Stock Ownership Requirement

We maintain share ownership requirements for our executive officers because share ownership strengthens the link our compensation programs create between our executives and our stockholders. Our policy requires each executive officer to maintain share or share-equivalent holdings as shown in the following table:

	Share Requirement
CEO	75,000
President, Research & Development	18,000
Chief Operating Officer	18,000
Executive Vice Presidents	10,000

Our policy became effective for all current executive officers upon its adoption in 2009; newly-elected executive officers have two years from initial election to meet the requirement. Shares owned outright, unvested time-vested restricted stock units and earned but unvested performance-vested restricted stock units are credited toward the share ownership requirement. The policy requires net retention of shares for any executive officer who does not maintain share ownership at or above the policy requirements. All executive officers currently meet the share ownership requirement.

Recoupment of Compensation

We maintain policies to recover compensation from our employees who engage in detrimental or competitive activity. Detrimental activity includes any action or failure to act that constitutes financial malfeasance that is materially injurious to the Company, violates our Code of Business Conduct, results in restatement of our earnings or financial results or results in a violation or breach of law or contract. Competitive activity includes any action or failure to act that violates non-disclosure, non-competition and/or non-solicitation agreements. Our 2008 Performance-Based Management Incentive Plan provides for the forfeiture and/or repayment of awards and our 2008 Omnibus Equity Plan also provides for the cancellation of LTI awards in these circumstances.

Tax-Deductibility of Compensation

Section 162(m) of the Internal Revenue Code limits to $1 million the amount a company may deduct for compensation paid to its CEO or any of its other three named executive officers (excluding the Chief Financial Officer). This limitation does not, however, apply to compensation meeting the definition of qualifying performance-based compensation.

Management regularly reviews the provisions of our plans and programs, monitors legal developments and works with the Committee and its consultant to preserve Section 162(m) tax deductibility of compensation payments. Changes to preserve tax-deductibility are adopted to the extent reasonably practicable, consistent with our compensation policies and as determined to be in the best interests of Biogen Idec and its stockholders. Amounts of base salary above $1,000,000 and our time-vested restricted stock units are not deductible for our named executive officers. For 2009, our annual cash incentive plan, stock option grants and performance-vested restricted stock unit grants were tax-deductible compensation under Section 162(m). As described above in the subsection titled Changes to our Compensation Programs for 2010, we have changed our LTI program beginning in 2010; as a result, all 2010 LTI grants will be tax-deductible compensation under Section 162(m).

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Maximum potential cash incentive awards under the 2009 Annual Cash Incentive Plan were determined for each named executive officer based on our non-GAAP net income for the year. The actual award to each executive was less than this maximum amount based on the degree of attainment of Company and individual performance goals set in the annual cash incentive plan described above.

Compensation and Management Development Committee Report

The Compensation and Management Development Committee furnishes the following report:

The Committee has reviewed and discussed the Compensation Discussion and Analysis with Biogen Idec management. Based on this review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Submitted by,

William D. Young, Chairman
Stelios Papadopoulos
Lynn Schenk

Summary Compensation Table

The following table shows the compensation paid to or earned by the named executive officers during the years ended December 31, 2007, December 31, 2008 and December 31, 2009, for the year(s) in which he or she was a named executive officer.

					Non-Equity Incentive Plan Compensation		Change in Pension Value and Nonqualified Deferred		
Principal	Year (b)	Salary ($) (c)	Stock Awards ($)(1) (d)	Option Awards ($)(1) (e)	Annual Cash Incentive Plan ($)(2) (f)	Retention Bonus Plan ($)(3) (g)	Compensation Earnings ($)(4) (h)	All Other Compensation ($)(5)(6) (i)	T
lullen	2009	$ 1,204,615	$ 4,999,901	$ 2,379,233	$ 1,440,000		$ 163,340	$ 253,077	$ 1
nd CEO	2008	$ 1,192,308	$ 3,750,132	$ 3,627,275	$ 2,400,000		$ 96,352	$ 257,919	$ 1
	2007	$ 1,142,308	$ 3,441,900	$ 3,790,983	$ 1,943,500		$ 67,817	$ 210,786	$ 1
ncy	2009	$ 524,231	$ 999,951	$ 475,884	$ 279,840		$ 6,456	$ 101,039	$
FO	2008	$ 492,308	$ 1,250,246	$ 918,891	$ 393,250	$ 750,000	$ 5,321	$ 48,655	$
	2007	$ 373,822	$ 1,324,180	$ 787,893	$ 280,800			$ 32,140	$
Hamm	2009	$ 657,231	$ 1,313,182	$ 631,464	$ 596,160		$ 37,575	$ 113,956	$
ating	2008	$ 473,231	$ 850,262	$ 822,276	$ 360,360	$ 720,000	$ 21,947	$ 51,340	$
	2007	$ 432,769	$ 1,810,839	$ 881,309	$ 238,056		$ 15,886	$ 43,108	$
chneier	2009	$ 496,283	$ 933,420	$ 444,170	$ 290,493		$ 71,177	$ 100,419	$

Public ations								
lexander eneral	2009	$ 518,173	$ 933,420	$ 444,170	$ 234,498		$ 99,603	$
)	2009	$ 208,176	$ 1,999,902	$ 951,679			$ 207,723	$
ief Officer	2008	$ 640,281	$ 1,320,314	$ 1,295,358	$ 728,530	$ 1,018,922	$ 254,140	$

Notes to Summary Compensation Table

(1) The amounts in columns (d) and (e) reflect the grant date fair value for awards granted during 2009, 2008 and 2007 as determined in accordance with accounting standards for stock compensation. The amounts in column (d) for 2009 include an even mix of time-vested restricted stock units (RSUs) and performance-vested restricted stock units (PVRSUs) for each executive. The fair value of stock option grants awarded was estimated as of the date of grant using a Black-Scholes option pricing model. Assumptions used in this calculation are included on page F-35 in footnote 12 of the Company s Form 10-K for 2009, on page F-33 in footnote 6 of the Company s Form 10-K for 2008 and on page F-30 in footnote 5 of the Company s Form 10-K for 2007.

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The fair values for the PVRSUs granted in 2009 are based on target performance. The table below shows the target and maximum payout possible for each of the PVRSU grants included in the Stock Awards column above.

Executive Officer	Target Payout	Maximum Payout
Mr. Mullen	$ 2,499,950	$ 4,999,900
Mr. Clancy	$ 499,976	$ 999,952
Mr. Hamm	$ 656,591	$ 1,313,182
Dr. Schneier	$ 466,710	$ 933,420
Ms. Alexander	$ 466,710	$ 933,420
Mr. Hasler	$ 999,951	$ 1,999,902

(2) The amounts in column (f) reflect the actual bonuses paid under the Company s Management Incentive Plan (Annual Cash Incentive Plan), which is discussed above in the subsection titled Annual cash incentives motivate our executive officers to meet and exceed our short-term goals.

(3) The amounts in column (g) reflect actual bonuses awarded under our performance-based cash retention bonus program for 2008 (paid in 2009).

(4) The amounts in column (h) represent earnings in the SSP that are in excess of 120% of the average applicable federal long-term rate. The federal long-term rate for 2009 applied in this calculation is 4.21%, the long-term monthly federal long-term rate effective in January 2009 when the fixed-rate option was established for 2009. The federal long-term rates for 2008 applied in this calculation were 5.05% in the first quarter, 5.26% in the second quarter, 5.40% in the third quarter and 5.25% in the fourth quarter. The federal long-term rates for 2007 applied in this calculation were 5.90% in the first quarter, 5.78% in the second quarter, 6.00% in the third quarter and 5.56% in the fourth quarter. Mr. Hasler was a participant in the retirement plan we maintain for employees of our Swiss affiliate. The SSP and our Swiss retirement plan are described below in the subsection titled 2009 Non-Qualified Deferred Compensation.

(5) The amounts in column (i) for 2009 reflect the following:

Executive Officer	Company Matching Contribution to 401(k) Plan Account	Company Contribution to SSP Account or Swiss Retirement Account	Personal Financial and Tax Planning Reimbursement	Value of Company-Paid Life Insurance Premiums	Other(6)
Mr. Mullen	$ 14,700	$ 201,577	$ 32,023	$ 3,110	$ 1,667
Mr. Clancy	$ 14,700	$ 85,349		$ 990	
Mr. Hamm	$ 14,700	$ 89,556	$ 7,500	$ 950	$ 1,250
Dr. Schneier	$ 14,700	$ 78,869	$ 5,900	$ 950	
Ms. Alexander	$ 14,700	$ 83,913		$ 990	

Mr. Hasler	$ 35,434	$ 1,496	$ 170,793

(6) The amounts for Messrs. Mullen and Hamm in this column are for a service milestone award and include a $667 tax gross-up for Mr. Mullen and a $500 tax gross-up for Mr. Hamm. These awards were paid under a program applicable to all employees; in 2010, we changed this program so that executive officers will no longer receive any service milestone award or associated gross up payment. The amount for Mr. Hasler includes a $8,406 car allowance and a $3,152 representation allowance, each as described above in the subsection titled Benefits, $149,757 in consulting fees for services to our subsidiary, Eidetica Biopharma GmbH and $9,478 for serving on Eidetica s Board of Directors following Mr. Hasler s resignation described below in note 7.

(7) Mr. Hasler resigned as Chief Operating Officer effective March 30, 2009 and was paid through April 26, 2009 consistent with the notice period in his employment contract. Beginning in May 2009, he provided consulting services to our subsidiary Eidetica Biopharma GmbH and served as a member of Eidetica s Board of Directors.

(8) The amounts for Mr. Hasler are converted from Swiss Francs to U.S. Dollars based on the following methodology: (i) amounts reported in columns (c) and (i) are converted using the average monthly currency

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exchange rate at the time of payment; and (ii) amounts reported in columns (f) and (g) are converted using a December 31, 2008 currency exchange rate. As the Company recognizes LTI expense in U.S. Dollars, there is no conversion of the amounts in columns (d) and (e).

2009 Grants of Plan-Based Awards

The following table shows additional information regarding all grants of plan-based awards made to our named executive officers for the year ended December 31, 2009.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise Price of Option Awards
		Threshold	Target	Maximum	Threshold	Target	Maximum			
rant Date (b)	Notes	($) (c)	($) (d)	($) (e)	(#) (f)	(#) (g)	(#) (h)	(#) (i)	(#) (j)	($/Sh) (k)
2/25/09	(3)				24,728	49,455	98,910			
2/25/09	(4)							49,455		
2/25/09	(5)								131,530	$ 50.55
2/25/09	(6)	$ 750,000	$ 1,500,000	$ 2,250,000						
2/24/09	(3)				5,035	10,070	20,140			
2/24/09	(4)							10,070		
2/24/09	(5)								26,785	$ 49.65
2/24/09	(6)	$ 145,750	$ 291,500	$ 437,250						
2/24/09	(3)				4,700	9,400	18,800			
2/24/09	(4)							9,400		
2/24/09	(5)								25,000	$ 49.65
2/24/09	(6)	$ 270,000	$ 540,000	$ 810,000						
4/01/09	(7)				1,830	3,660	7,320			
4/01/09	(8)							3,660		
4/01/09	(9)								9,740	$ 51.88
2/24/09	(3)				4,700	9,400	18,800			
2/24/09	(4)							9,400		
2/24/09	(5)								25,000	$ 49.65
2/24/09	(6)	$ 137,544	$ 275,088	$ 412,632						
2/24/09	(3)				4,700	9,400	18,800			

2/24/09	(4)							9,400		
2/24/09	(5)								25,000	$ 49.65
2/24/09	(6)	$ 143,688	$ 287,375	$ 431,063						
2/24/09	(3)				10,070	20,140	40,280			
2/24/09	(4)							20,140		
2/24/09	(5)								53,565	$ 49.65
2/24/09	(6)	$ 253,522	$ 507,043	$ 760,565						

Notes to 2009 Grants of Plan-Based Awards Table

(1) This table reflects the estimated future payouts for the named executive officers as of the grant date. The transition agreement we entered into with Mr. Mullen in January 2010 defined his payment under our 2009 Annual Cash Incentive Plan as his target award multiplied by our Company multiplier approved for 2009 performance results.

(2) The amounts in this column represent the full grant date fair value as determined in accordance with accounting standards for stock compensation. The fair value of the stock option grants awarded was estimated as of the date of grant using a Black-Scholes option pricing model.

(3) Annual grant of PVRSUs. The PVRSUs granted in 2009 were subject to the attainment of revenue and earnings per share criteria during 2009. Based on our performance, 99% of the number granted (which in this table is the target payout level) are eligible to vest 33.33% on each of the first three anniversaries of the grant date.

(4) Annual grant of RSUs. These RSUs are scheduled to vest 33.33% on each of the first three anniversaries of the grant date.

(5) Annual grant of stock options. These options have a ten-year term and are scheduled to vest 25% on each of the first four anniversaries of the grant date.

(6) Annual Cash Incentive Plan. The amounts shown in column (d) represent the 2009 target payout amount based on the target incentive percentage applied to each executive s base salary as of December 31, 2009, except Mr. Hasler whose amount is based on his base salary at his resignation. For 2009, the bonus targets were 125%

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of salary for Mr. Mullen, 75% of salary for Messrs. Hamm and Hasler, and 55% of salary for Mr. Clancy, Ms. Alexander and Dr. Schneier. The amounts in columns (c), (d) and (e) assume that the executive s individual multiplier is 100%. Column (c) represents a payment if the Company multiplier was 50%. Column (d) represents a payment if the Company multiplier was 100%. Column (e) represents a payment if the Company multiplier was 150%. This plan is described above in the subsection titled Annual cash incentives motivate our executive officers to meet and exceed our short-term goals.

(7) Promotional grant of PVRSUs. The PVRSUs granted in 2009 were subject to the attainment of revenue and EPS criteria during 2009. Based on our performance, 99% of the number granted (which in this table is the target payout level) are eligible to vest 33.33% on each of the first three anniversaries of the grant date.

(8) Promotional grant of RSUs. These RSUs are scheduled to vest 33.33% on each of the first three anniversaries of the grant date.

(9) Promotional grant of stock options. These options have a ten-year term and are scheduled to vest 25% on each of the first four anniversaries of the grant date.

Outstanding Equity Awards at 2009 Fiscal Year-End

The following table summarizes the equity awards that were outstanding as of December 31, 2009 for each of the named executive officers. All of Mr. Hasler s unvested equity awards, including his 2009 equity awards, were forfeited upon his resignation.

	Option Awards(1)		Stock Awards(2)
		Equity Incentive Plan Awards:	
	Number of	Number of	Equity Incentive Plan