biogen idec®

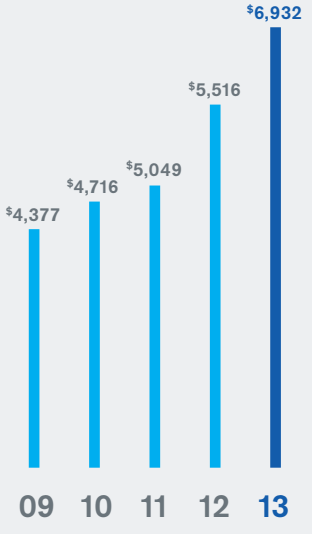
PEOPLE PURPOSE PROGRESS

2013 ANNUAL REPORT | BIOGENIDEC.COM/AR2013

"My passion is my life – and my quality of life – day in, day out."

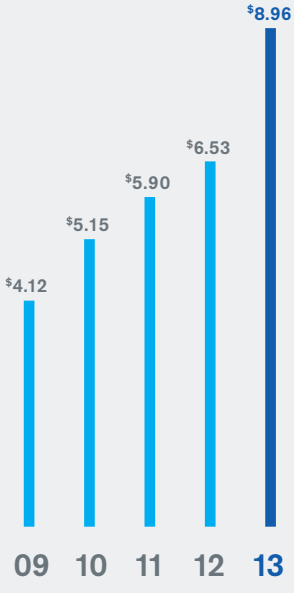
Kate Ouellette,
volunteer, small business owner, mother and wife

FINANCIAL HIGHLIGHTS

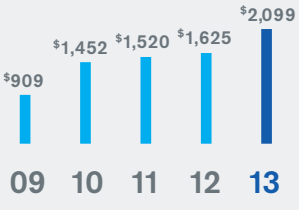


Revenues

$ in millions



Non-GAAP Diluted EPS*



Free Cash Flow*

$ in millions

*Non-GAAP diluted Earnings Per Share (EPS) and free cash flow are non-GAAP financial measures. A reconciliation of GAAP to non-GAAP diluted EPS and free cash flow amounts are set forth on pages 20 and 21 of this annual report.

"Biogen Idec is in the business of understanding patient needs and the biology of disease. We are in the business of transforming the lives of the patients we serve. Ultimately, our success will be measured by the impact we have on people's lives – and the quality of life associated with that change."

George A. Scangos, Ph.D.
Chief Executive Officer

Dear Fellow Shareholders

2013 was an excellent year for Biogen Idec and the patients we serve, marked by important commercial and clinical progress as we brought important new therapies to market, advanced the next generation of potential treatments through the pipeline and prepared for critical readouts on investigational compounds that we expect to shape our future.

A year ago I wrote to you that our company is fully aligned behind a crisply defined mission and business strategy. Today, I can say that we are increasingly confident in our approach, and remain deeply committed to robust investment in the science that is our heritage and will be our future.

And once again, we achieved strong financial results. Revenue for 2013 was $6.9 billion, an increase of 26% from 2012, and we enjoyed double-digit growth in both earnings per share and free cash flow.

Looking toward 2014, we are at a significant point of transformation in our business, going

from three major marketed products in 2013, to potentially six. We expect our growth will be driven by the continued success of our marketed therapies, the introduction of TECFIDERA® to multiple sclerosis (MS) patients in worldwide markets and by anticipated approvals and advances from our late- and mid-stage pipeline.

Each of the compounds in our pipeline has the potential to significantly improve patients' lives, and in some cases they have the potential to result in therapies for diseases that currently have limited or no treatment options. The success of these development programs will play an important role in defining the future of Biogen Idec. And it is our belief that our future has never been as promising as it is today.

to conduct multiple proof-of-concept and late-stage clinical trials, while demonstrating an ability to manufacture and commercialize new therapies on a global scale.

The launches of TECFIDERA in the U.S., Canada and Australia went exceedingly well and may prove to be one of the most successful launches in the history of our industry. This was the result of meticulous planning and execution by our commercial team, in combination with a favorable physician and patient experience. TECFIDERA became the number one prescribed oral MS therapy in the U.S. — and after only nine months on the market more than 6,000 physicians (representing approximately 85% of total MS prescription volume) had prescribed TECFIDERA.

$6.9B | in revenue for 2013, an increase of 26% from 2012

The stage is now set for what I believe will be a very exciting period in the history of our company. By staying true to our core scientific and commercial expertise, and focusing on diseases with significant unmet needs where our scientific capabilities give us a unique advantage, we are working to ensure our long-term success.

ADVANCING COMMERCIAL SUCCESS

Biogen Idec occupies an unusual space in the biopharmaceutical industry. Our dedication to science and our culture resemble a nimble biotechnology company. Yet, we have the capacity and capabilities

We are very encouraged by the initial success of TECFIDERA and its potential. At the same time, we know that we need to remain diligent to fully capitalize on this success and it will require a strong and sustained effort to ensure that the greatest number of patients have the opportunity to benefit from TECFIDERA over the long term.

Early in 2014, the European Commission approved TECFIDERA for marketing in Europe as a first-line oral therapy for relapsing-remitting MS. We are currently working with regulators in European countries to make TECFIDERA available to patients — with launches in coming months based on pricing discussions with authorities in individual countries.

While the launch of TECFIDERA is clearly a major milestone in our company's history, we also made significant advances in other aspects of our MS franchise in 2013.

We further expanded our commitment to MS as we acquired full ownership to all of the rights to TYSABRI® from our former collaboration partner, Élan Corporation. We believe that full ownership of TYSABRI improves our ability to optimally position TYSABRI within our MS portfolio. Because of its powerful efficacy, TYSABRI offers unique benefits for people living with MS. And because of the investments we have made in understanding the risks associated with treatment, more patients are now able to benefit from this therapy.

In the U.S. market, TYSABRI growth in 2013 was slowed due to the impact of the launch of TECFIDERA, but we expect that to level off as switching from TYSABRI to TECFIDERA naturally diminishes. We are continuing to place a strong commercial focus on TYSABRI's differentiated product profile, coupled with ongoing improvements in risk stratification, which remains very important for the success of this product.

Last year we presented new data for TYSABRI that reaffirms its powerful efficacy, and we also made progress in our Phase III trial of TYSABRI for the treatment of secondary progressive MS (SPMS). If the results from this study are positive, we may have the potential to expand TYSABRI use into this vastly underserved population.

AVONEX® remains our most prescribed MS treatment, and we are continuing to grow revenue and market share within the injectable segment. In 2013, AVONEX global revenues exceeded $3 billion for the first time. The launch of new MS therapies, including TECFIDERA, has caused contraction in the injectable segment, and we expect this segment to continue to decline over time. However, it remains a significant opportunity in the medium term and we believe we are well positioned with the AVONEX PEN® and potentially PLEGRIDY™ should it be approved, as convenience continues to be a key differentiator.

FAMPYRA®, which we market in Europe under license from Acorda Therapeutics, is the first treatment indicated for the improvement of walking ability in adult patients with MS. We continue to achieve growth with FAMPYRA, which was approved for patients in 16 new countries last year.

We believe we are well positioned in the MS space, with leading therapies in the oral, high-efficacy and injectable segments. Patients and physicians are seeking a range of treatment options and we believe we have the portfolio to address the diverse needs of this population, while our years of experience and unparalleled understanding of this disease give Biogen Idec a meaningful advantage.

FROM PIPELINE TO PATIENTS

Our commitment to visionary science in pursuit of new therapies for diseases with inadequate or no treatment options is more pronounced than ever as we consider the potential for our pipeline in the year ahead.

In hemophilia our goal is to become the market leader, as we have done in MS, and we are taking the steps necessary to do so.

KATE OUELLETTE

VOLUNTEER, SMALL BUSINESS OWNER, MOTHER AND WIFE

"MS HAS FORCED ME TO DANCE A NEW DANCE IN MY LIFE. MY PASSION IS MY LIFE – AND MY QUALITY OF LIFE – DAY IN, DAY OUT."

Kate Ouellette is a volunteer, small business owner, mother and wife. Kate's journey with multiple sclerosis began without a diagnosis. She developed optic neuritis and a blind spot, but multiple sclerosis was not even considered at the time. After several years of inexplicable health events, Kate underwent a series of MRIs and a spinal tap. She and her doctors finally had confirmation: multiple sclerosis. With the diagnosis, Kate was sad, angry, scared and relieved all at the same time.

"When I was first diagnosed, I was very worried that I would have to give up everything that I loved doing, and that I would be alone in a bubble with my MS. I felt isolated, and the uncertainty was huge. But I was also relieved to know what was going on with my health so I could talk to a specialist and start treatment."

Since her diagnosis, she has reprioritized how she spends her time, and has been able to pick up some new activities, including exercise and participating in walks to raise money for multiple sclerosis charities.

Kate believes that being consistent with her therapy helps to keep her stable and has allowed her to continue doing the things she loves. She has not missed a dose of AVONEX since she began therapy 11 years ago.

Hemophilia represents a $7 billion global market, and it's an area where there has been no major innovation in nearly two decades. A big challenge for patients is that current therapies require frequent intravenous injections, which makes prophylactic treatment a significant treatment burden. So there is a real need for treatments with a reduced dosing frequency.

In March 2014 we received U.S. Food and Drug Administration (FDA) approval to market ALPROLIX™ [Coagulation Factor IX (Recombinant), Fc Fusion Protein] for the control and prevention of bleeding episodes and routine prophylaxis in adults and children with hemophilia B. ALPROLIX was also approved by Health Canada in March 2014.

The approval of ALPROLIX marks the first significant treatment advance in hemophilia B in more than 17 years, and reinforces our commitment to developing innovative therapies that help address the critical needs of the hemophilia community.

In addition to ALPROLIX, we are continuing to pursue a treatment option for hemophilia A. In 2013 we filed a regulatory application for our hemophilia candidate, ELOCTATE™ [Antihemophilic Factor (Recombinant Fc Fusion Protein)], in the United States, Japan, Canada and Australia.

ALPROLIX and ELOCTATE use a protein technology called Fc fusion that enables prolonged circulation in the body. In clinical trials among adults with hemophilia, both ALPROLIX and ELOCTATE significantly extended the time between prophylactic infusions and have the potential to greatly reduce the number of infusions required over the course of a year. We believe this may offer people with hemophilia a lower burden of treatment and improved adherence to prophylactic regimens.

In 2013 we submitted a Biologics License Application (BLA) to the FDA and a Marketing Authorisation Application to the European Medicines Agency (EMA), for marketing approval of PLEGRIDY for relapsing forms of MS. The regulatory submissions were based on the results from the first year of the two-year global Phase III study for PLEGRIDY, supporting PLEGRIDY as a potential treatment dosed every two or four weeks.

If approved, PLEGRIDY is expected to be the first interferon for the treatment of MS, providing a combination of benefits across key disease measures (e.g., reduction in relapses, disability progression, number of MS lesions), and a favorable safety profile. With these characteristics, we believe PLEGRIDY will become a preferred treatment option in the injectable segment for many people living with MS.

We also have made significant advances with our anti-CD20 franchise through our collaboration with Genentech (a wholly owned member of the Roche Group). In November 2013, Roche announced the FDA's approval of GAZYVA™ for previously untreated chronic lymphocytic leukemia (CLL). GAZYVA is a humanized anti-CD20 antibody designed to improve upon the efficacy of RITUXAN® — and was the first drug with breakthrough therapy designation to obtain FDA approval. RITUXAN, which is marketed by Genentech under our collaboration with them, is a key component of standard therapy regimens for Non-Hodgkin's Lymphoma and CLL.

DANIEL WARREN

2013 BIOGEN IDEC HEMOPHILIA SCHOLARSHIP WINNER

"HEMOPHILIA IS AN OBSTACLE THAT I WORK TO OVERCOME. IT IS SOMETHING I LIVE WITH. BUT, IT DOESN'T CONFINE ME."

Daniel Warren is a musician, swimmer, son and brother. He also has lived his entire life with hemophilia.

"Having hemophilia has taught me two major lessons by which I live: never waste time and never be afraid to seize an opportunity."

Last year, Daniel did just that. Seizing an opportunity presented to him by a professor meant Daniel was off to Montreal to study abroad in one of the jazz capitals of the world — a musician and music educator's dream.

Following his studies in Canada, Daniel went on to complete his undergraduate degree and plans to teach music and pursue further studies in music education, including a doctorate degree.

"Hemophilia is an obstacle that I work to overcome. It is something I live with. But, it doesn't confine me. Achieving in my studies, excelling in music and spending as much time outdoors as possible bring joy and beauty to my life."

Each of these stories reflects the personal experiences of one person, and stories are not intended to imply any therapeutic benefit, results or experiences with Biogen Idec products. www.biogenidechemophiliascholarships.com

Looking forward, we expect pivotal readouts over the next few years from our late-stage pipeline: Daclizumab HYP, which we are developing in partnership with AbbVie, is expected to complete a Phase III trial of relapsing-remitting MS (RRMS) in 2014, and TYSABRI is expected to complete a Phase III trial in secondary progressive MS in 2015. In addition, we are anticipating proof-of-concept data on many of our early- and mid-stage product candidates over the next 12 to 18 months including:

- Anti-LINGO, a monoclonal antibody that, in preclinical studies, enhances re-myelination and axonal protection. There are two Phase II proof-of-concept trials underway with anti-LINGO. The first is in acute optic neuritis and the second is in MS.
- STX-100 is our monoclonal antibody under development for idiopathic pulmonary fibrosis (IPF), a debilitating disease that is usually fatal. STX-100 may block an important pathway, helping to slow the development of the fibroses in IPF patients.
- Neublastin is a novel biologic under development for neuropathic pain. Neublastin interacts with the GFR α 3 receptor on pain-sensing neurons and has been shown to promote nerve regeneration in preclinical models of nerve crush.
- BIIB037 is a selective beta-amyloid targeted monoclonal antibody for Alzheimer's disease. It is differentiated from other beta-amyloid antibodies in development as in preclinical studies it appears to preferentially bind to the fibular forms of beta-amyloid, which form pathogenic amyloid plaques.
- SMN_{Rx} is an antisense molecule for Spinal Muscular Atrophy (SMA), which is the most common genetic cause of death in children. The FDA granted Orphan Drug Designation with Fast Track Status to ISIS-SMN_{Rx} for the treatment of patients with SMA. ISIS-SMN_{Rx} is being developed under our collaboration with Isis Pharmaceuticals.

A PASSION FOR INNOVATION

Innovation distinguishes Biogen Idec. Within our areas of expertise — specialty neurology, immunology and non-malignant hematology — we continue to identify adjacencies where the science leads us.

For example, in neurology we are performing research to understand and map the pathways involved in progressive forms of MS, neuropathic pain and amyotrophic lateral sclerosis (ALS).

In immunology, where we have focused on diseases such as lupus and lupus nephritis, we intend to do more in the related areas of fibrotic diseases. And in hematology, through our recent agreement with Sangamo BioSciences, we are advancing research in sickle-cell anemia and beta-thalassemia.

We also are focusing on new therapeutic modalities. Biogen Idec was built on the foundation of biotechnology, and with TECFIDERA, we have significantly expanded our capabilities in small molecules. To that end, last year we entered into an agreement with Amicus Therapeutics to use their research platform and expertise in discovering and developing small molecule drugs to reduce alpha-synuclein accumulation, a hallmark of Parkinson's disease pathology.

We are exploring gene editing therapies with Sangamo BioSciences, and RNA-based therapies in collaboration with Isis Pharmaceuticals. In 2013, we expanded our relationship with Isis to further employ antisense technology in a number of

neurological diseases, including myotonic dystrophy type 1 (DM1), the most common form of muscular dystrophy in adults.

Science is the heart and soul of Biogen Idec. More than three decades later, the way we approach science – and the company itself – has returned to its roots.

To advance our efforts in immunology, we signed a collaboration agreement with BioFocus, a subsidiary of Galapagos NV, to identify and validate novel targets in scleroderma, an autoimmune disease that causes hardening of the skin and can also impact organs.

In 2014 we plan to pursue additional new business development opportunities and continue to bring in high-potential candidates and technology platforms that strengthen our pipeline — and already this year we have announced a significant agreement with Eisai to develop and commercialize two of their candidates for Alzheimer's disease (AD). These include E2609, a α-site amyloid precursor protein cleaving enzyme (BACE) inhibitor, and BAN2401, an anti-Aβ antibody. These candidates have the potential to reduce Aβ plaques that form in the brains of patients with AD, and to slow the formation of new plaques, potentially improving symptoms and suppressing disease progression.

In addition to our industry partnerships, we believe collaborations with top academic researchers are critical for maintaining a vibrant and innovative research organization — and we have taken a unique approach to assemble and share data and research to tackle challenges where a single institution alone might be limited. We have a number of ongoing innovative collaborations with leading research institutions as we work together to further understand the causes and potential treatments for complex diseases such as ALS.

To further strengthen our focus on research, in 2013 we completed the relocation of our corporate headquarters — and a large majority of our U.S.-based workforce — back to Cambridge, Massachusetts. This decision is facilitating the recruitment of top scientific talent and fostering greater collaboration internally and in the community among our science and industry peers. Science is the heart and soul of Biogen Idec. More than three decades later, the way we approach science — and the company itself — has returned to its roots.

PREPARING FOR LONG-TERM GROWTH

Our rapidly growing commercial portfolio and pipeline present us with tremendous opportunities to change the lives of people living with serious illnesses around the world. It is our responsibility to ensure that we achieve the full potential of each of these assets.

As we have seen over the last several years, the environment for biomedical innovation, patient care and the provision of health services continues to evolve as payers and governments seek verifiable

improvements in the quality and value of the healthcare services they finance. We believe that we are well positioned to compete in this changing environment. We are investing in clinical and health economics and outcomes research specifically intended to ensure access, reimbursement and, most importantly, a clear understanding of the clinical utility of our products. We are supporting clinical data with robust intellectual property and other regulatory protections and efficient supply chain infrastructure to ensure product availability.

As countries globally continue to wrestle with economic pressures, we remain focused on demonstrating the value of our products as we concentrate our research efforts in areas of high unmet medical need, engaging in innovative science that provides measurable value and creates evidence to support the benefits of our products among competitors. At the same time, our ability to bring new treatments to patients in Europe may be affected by the policy and regulatory environment and decisions made at both the EU and member state levels that impact the biopharmaceutical industry as a whole.

Continued innovation and access to treatments, and fair reimbursement for innovative products, depend in large part on certainty around intellectual property and other regulatory protections, which are necessary to ensure that we are able to make the long-term investments that biopharmaceutical innovation requires.

For Biogen Idec, global expansion and focus on new markets is taking two simultaneous tracks — one based on building strategic organizations in markets where there are clear regulatory and reimbursement paths and, in others, creating distribution models that enable us to get therapies to patients in the short term while maintaining an ability to build and grow our presence in the coming years.

We remain on pace to double the size of our operations in Japan in 2014 and we are continuing to strengthen our Japan-based commercial, R&D and medical organizations. We have five ongoing clinical trials in Japan and we just recently received approval of TYSABRI there. We also anticipate our hemophilia product and product candidate may be available by 2015. The Japanese government's long-term commitment to rewarding innovation and focus on healthcare as a source of economic growth are strong reasons to be confident in our ongoing investments there.

Further, we strengthened our ability to ensure access to our medicines in the Asia-Pacific region through our distribution agreement with UCB, which grants UCB the right to commercialize certain Biogen Idec products in China, Korea and across Southeast Asia.

Working to meet societal demands for access to effective therapies at reduced cost, we agreed with our joint venture partner, Samsung Bioepis, to commercialize biosimilar anti-TNF product candidates in Europe. These are expected to include biosimilars for widely used therapies to treat conditions such as rheumatoid arthritis and Crohn's disease. If approved, we will be responsible for commercialization of these product candidates across Europe.

Our business approach recognizes the need for access to lower-priced medicines for many global stakeholders through our

RYAN KAPLAN

HIGH SCHOOL PRINCIPAL, OUTDOORSMAN,
HUSBAND AND FATHER

"I REACHED MY POINT OF ACCEPTANCE 10 YEARS AGO. NOW, I AM TAKING MY MS TO THE NEXT LEVEL TO HELP OTHERS."

Ryan Kaplan is high school principal, outdoorsman, husband and father. He has also been living with multiple sclerosis for 18 years. He first began experiencing numbness and weakness during a cross-country cycling trip when he was just 16 years old. The diagnosis of relapsing-remitting multiple sclerosis soon followed.

"I was away from home and went to the ER. Three months later, a specialist said it was possible MS and to start treatment. That doctor's decision saved the quality of my life. Consistent therapy has afforded me my health and allowed me to continue an active lifestyle."

Ryan spent the first eight years after his diagnosis in denial. "MS was my secret. I was in hiding, and I didn't tell anyone. I stopped cycling. I stopped the things that made me, me."

Ryan credits much of his success living with MS to his first doctor who started him on treatment and to Biogen Idec. "Eventually, I was prescribed AVONEX and recently switched to TYSABRI. I have tried other therapies, but Biogen Idec really is my saving grace."

Today, Ryan is married, with two young children and a dog. He works hard and has renewed his love of cycling. In his spare time, he also serves as an advocate to raise awareness for MS with a personal goal of helping others with the disease.

entry into the biosimilar market. We are working to bring lower cost versions of important biological therapies to the market following an appropriate period of exclusivity for the innovator product. We recognize the important role that biosimilars can play in the healthcare system by maintaining an appropriate balance between continued innovations and controlling costs. At the same time, it is important to ensure that the marketplace for biologics includes effective patient safeguards that reflect the scientific differences between biologics and small molecules — without inhibiting the appropriate utilization of biosimilar products.

In the United States, as the Affordable Care Act became a reality, we welcomed the opportunity that the changing landscape brings for those who were previously unable to access insurance. We are also working to ensure that our patients continue to have access to therapies they require so they may effectively manage their disease.

DELIVERING TO MEET PATIENT DEMAND

The rapid growth of our business has required us to increase the scale of our Pharmaceutical Operations and Technology (PO&T) organization. In 2013, we completed the integration of the oral solid dose facility in Research Triangle Park, North Carolina (RTP), that we lease from Eisai. The addition of this facility and other investments into our manufacturing infrastructure enables us to rapidly increase production of small molecules and biologics while providing flexibility and protection to our supply chain.

In addition, we received licenses from both the EMA and the FDA to manufacture TYSABRI at our biologics facility in Hillerød, Denmark, and are now manufacturing and supplying TYSABRI for patients in the EU from that facility. We are also able to use our manufacturing and technical development capabilities there to support our biosimilar development efforts with Samsung Bioepis.

We expect to substantially increase our production capabilities by focusing on innovation that allows us to scale in advance of new pipeline products that, if successful, have the potential to create substantial future demand. We have done a great job leveraging current manufacturing platforms, but we now need to focus on new platforms and drug substance technologies that increase throughput without increasing our footprint — leveraging new systems to enhance our processes of effectively getting an increased number of products to our patients around the globe.

OUR RESPONSIBILITY AS A GLOBAL CITIZEN

Our commitment to corporate citizenship and environmental sustainability reflects the best interests of all of our stakeholders and the communities and environments in which we operate — and we have directly incorporated this commitment into our day-to-day business activities as a cultural imperative across the organization. Moreover, our focus on STEM (Science, Technology, Engineering, Math) education and the reach of our Biogen Idec Foundation has expanded globally as we look to create a network of initiatives that benefit those with an interest in science through programs who reach the youngest learners all the way up to those who are pursuing careers in the life sciences.

ENVIRONMENTAL SUSTAINABILITY

Last year Biogen Idec earned a place on the prestigious Dow Jones Sustainability World Index, becoming the first and only U.S.-based biotechnology company to make the list. We also were named to the Dow Jones Sustainability Index North America for the fourth consecutive year, one of only three biotech companies included.

Our commitment to corporate citizenship and environmental sustainability reflects the best interests of all of our stakeholders and the communities and environments in which we operate.

When the Carbon Disclosure Project released the results of its Annual Investor Survey, Biogen Idec was awarded the top Carbon Disclosure Score for the biotech sector and we were in the top 10 overall in the broader healthcare category. Our score improved significantly from the prior year, which demonstrates both a high degree of transparency regarding our carbon footprint and our continued focus on being a more environmentally sustainable organization globally.

In January 2014 it was announced that Biogen Idec is the second most sustainable company in the world according to the Global 100 rankings, an annual corporate sustainability assessment performed by the research firm Corporate Knights.

COMMUNITY COMMITMENT/STEM EDUCATION

Philanthropy serves as the centerpiece of our global corporate social responsibility efforts. Through the Biogen Idec Foundation, we operate as a focused philanthropic leader on a global scale. Our efforts are designed to be visible and impactful as we:

- Advance the goals of transforming science-based education
- Enhance community-based science programming
- Support institutions of higher education
- Provide assistance to community-based organizations
- Offer humanitarian assistance

We accomplish these goals through our global grants programs, by providing micro-grants targeted to the communities in which we operate, supporting STEM education directly and through community funding, and by matching employee contributions.

Restoring the scientific acumen of our students and workforce is both an industry and a global imperative. As government funding for STEM education has been constrained, we believe private industry should step forward, and through our foundation, Biogen Idec is doing just that. Our programs provide access to learning opportunities for students at all phases of their education, from kindergarten through post-doctoral studies, with programs that are aligned with students' learning needs

and abilities at each phase of development. We also provide programming for teachers to ensure they are adequately equipped to inspire and educate future scientists.

We also launched our international grants program with the goal of building a global philanthropic network focused on ensuring quality and accessible science education. Direct grants included support for the Experimentarium's mobile science programming in Copenhagen, Denmark; the United Kingdom Science Museum's International Women's Day celebration engaging early career female scientists; and independent scientific research study sessions for students from across Switzerland through the Schweizer Jugend forscht (Swiss Youth in Science) education series.

Other STEM grants included:

- A grant to Harvard Medical School to sponsor a four-year pilot within the Biological and Biomedical Sciences Program. This pilot allows pre-doctoral students access to transformative technologies and the chance to pursue novel experiments. We also provided funding to the Harvard Medical School to support internships for advanced high school students that will allow them to spend the summer in Harvard research labs.
- A grant to Teach for America to fund the recruitment, training and ongoing support of STEM-focused corps members in both Boston and eastern North Carolina.
- Ongoing micro-grants providing direct support for teachers looking to enhance science education in the classroom. Last year the Biogen Idec Foundation awarded 80 grants to teachers and schools in Massachusetts and North Carolina enabling teachers to bring new, exciting hands-on science experiences to their students and helping to create excitement about STEM topics within the classroom setting.

Last October we were proud to announce that we have expanded our Biogen Idec Community Lab, unveiling a second lab at our facility in RTP. The Community Lab is the longest running, corporate hands-on science lab in the nation — where nearly 20,000 students in Greater Boston have experienced laboratory science.

And for the third consecutive year, our global colleagues participated in Biogen Idec's Care Deeply Volunteer Day, our largest volunteer effort to date. This worldwide project enables employees to participate in meaningful community service projects and has a beneficial impact in every location where Biogen Idec operates around the world. In 2013, over 1,900 employees took part in more than 122 projects in 28 countries.

As a company, we are also making changes in how we work and collaborate, moving to open-space floor plans and making smart investments in technology that are designed to foster a more open, collaborative environment. Our efforts were recognized with a top-10 placement in the Boston Globe "Top Places to Work," "Best Places to Work" in Canada, "Company of the Year" in Denmark and "Facility of the Year" in RTP.

PEOPLE, PURPOSE, PROGRESS

Biogen Idec is in the business of understanding patient needs and the biology of disease. We are in the business of transforming the lives of the patients we serve. Ultimately, our success will be measured by the impact we have on people's lives — and the quality of life associated with that change. In everything

ROSEMARIE COLLOPY

SWIMMER, VOLUNTEER EXTRAORDINAIRE
AND MS ADVOCATE

"I MAY NOT BE ABLE TO CONTROL MY BODY EVERY DAY; HOWEVER, I CAN CONTROL MY MINDSET. LIFE IS MEANT TO BE LIVED, AND I USE EVERY TRICK I CAN SO I CAN ENJOY EACH MOMENT."

Rosemarie Collopy is a swimmer, volunteer extraordinaire and MS Advocate. She has also been living with multiple sclerosis for 22 years. Before her diagnosis, Rosemarie had a career in dentistry, teaching dental hygiene and working in a dental office. She would ride her bicycle 30 miles to and from work. Six months after her daughter was born, she was diagnosed, and within five years, she had to stop working.

"I had big hopes and dreams. I lived my life full and had big expectations for my family. But yet, my path turned out different. I was walking and biking one day and in a scooter the next. When I was diagnosed with MS, I took all my frustration out of not being able to ride my bicycle and became this crazy volunteer at the MS bike events."

Rosemarie tried many treatments, and she had success. Soon, her MS was in remission and she started to exercise again, but she did not like to inject herself. She would often ask friends and family to help her. When she heard about the oral MS therapy TECFIDERA, she went to her doctor and asked if it was right for her. They agreed she should make the switch.

"Today, I focus on what I call 'the gifts' MS brought me, like the chance to spend more time with my daughter when she was growing up."

MS ActiveSource® Advocates have chosen to share their stories with other people living with MS. Each of these stories reflects the personal experiences of one person, and stories are not intended to imply any therapeutic benefit, results or experiences with Biogen Idec products.

we do, we are driven by a simple question: Are we truly making a difference in the lives of patients?

Achieving this requires that we build the best possible group of leaders and colleagues in the life sciences industry and that we support our colleagues with the most robust and efficient organizational capabilities. As we look toward the future, what will set us apart will be our people, enabled by our unique culture. By embodying our principles of caring deeply and working fearlessly in everything we do, we expect to drive innovation. We are making investments to build a culture that expects excellence, with colleagues who are fully aligned in purpose and leadership that is positioned to guide us toward success well into the future.

As a growing company, these ideals provide us a compass and a clear path forward. We must — and we will — continue to innovate, to remain focused on performance and operational excellence and to care deeply about those patients who rely on our efforts every day.

We made tremendous progress this past year — but even as we enter our 36th year as a company, I believe Biogen Idec is just starting to show its real promise. We believe the opportunity presented by our R&D strategy, and our concentration on neurology, immunology, non-malignant hematology and adjacent diseases, where patients have limited or no therapeutic options today, provides that path forward. We are making prudent decisions in advancing compounds to the clinic and we are seeking business development opportunities that we believe will strengthen our research capacities and complement our novel pipeline.

As a growing company, these ideals provide us a compass and a clear path forward. We must – and we will – continue to innovate, to remain focused on performance and operational excellence and to care deeply about those patients who rely on our efforts every day.

I am proud of our employees and their focus on our purpose and mission to meet the needs of people with these diseases, doing so in a way that meets the best interests of society, and acting as partners in their communities. We remain aligned around our future and our commitment to patients — and we appreciate your commitment to our company as we work to meet our goal of becoming the world's best science-driven biotechnology company.

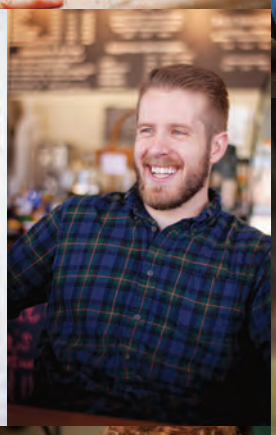
Sincerely,

George A. Scangos, Ph.D.
Chief Executive Officer













PRODUCT PIPELINE

APPROVED

	PHASE 1	PHASE 2	PHASE 3	FILING	APPROVED
TECFIDERA (DIMETHYL FUMARATE) Multiple Sclerosis, Relapsing Forms	●	●	●	●	●
ALPROLIX [COAGULATION FACTOR IX (RECOMBINANT), FC FUSION PROTEIN] Hemophilia B | Collaborator: Swedish Orphan Biovitrum	●	●	●	●	●
GAZYVA (OBINUTUZUMAB) Chronic Lymphocytic Leukemia | Collaborator: Genentech (Roche Group)	●	●	●	●	●
AVONEX (INTERFERON BETA-1A) Multiple Sclerosis, Relapsing Forms	●	●	●	●	●
TYSABRI (NATALIZUMAB) Multiple Sclerosis, Relapsing Forms	●	●	●	●	●
TYSABRI (NATALIZUMAB) Crohn's Disease	●	●	●	●	●
RITUXAN (RITUXIMAB) Non-Hodgkin's Lymphoma; ANCA-Associated Vasculitis; Anti-TNF Refractory Rheumatoid Arthritis; Chronic Lymphocytic Leukemia | Collaborator: Genentech (Roche Group)	●	●	●	●	●
FUMADERM (FUMARIC ACID ESTERS) Psoriasis (Germany)	●	●	●	●	●
FAMPYRA (PROLONGED-RELEASE FAMPRIDINE TABLETS) Multiple Sclerosis, Walking Ability | Collaborator: Acorda Therapeutics	●	●	●	●	●

FILING

	PHASE 1	PHASE 2	PHASE 3	FILING	APPROVED
PLEGRIDY (PEGINTERFERON BETA-1A) Multiple Sclerosis, Relapsing Forms	●	●	●	●	
ELOCTATE [ANTIHEMOPHILIC FACTOR, (RECOMBINANT FC FUSION PROTEIN)] Hemophilia A | Collaborator: Swedish Orphan Biovitrum	●	●	●	●	

PHASE THREE

	PHASE 1	PHASE 2	PHASE 3	FILING	APPROVED
DACLIZUMAB HIGH YIELD PROCESS Multiple Sclerosis, Relapsing Forms | Collaborator: AbbVie	●	●	●		
GAZYVA (OBINUTUZUMAB) Non-Hodgkin's Lymphoma | Collaborator: Genentech (Roche Group)	●	●	●		
TYSABRI (NATALIZUMAB) Secondary-Progressive MS	●	●	●		

PHASE TWO

	PHASE 1	PHASE 2	PHASE 3	FILING	APPROVED
SMN_{RX} Spinal Muscular Atrophy | Collaborator: Isis Pharmaceuticals	●	●			
NEUBLASTIN Neuropathic Pain	●	●			
BAN2401 Alzheimer's Disease | Collaborator: Eisai Co., Ltd.	●	●			
ANTI-TWEAK Lupus Nephritis	●	●			
ANTI-LINGO Multiple Sclerosis; Optic Neuritis	●	●			
STX-100 Idiopathic Pulmonary Fibrosis	●	●			

PHASE ONE

	PHASE 1	PHASE 2	PHASE 3	FILING	APPROVED
ANTI-CD40 LIGAND Systemic Lupus Erythematosus | Collaborator: UCB, Inc.	●				
BIIB037 (HUMAN ANTI-AMYLOID BETA MAB) Alzheimer's Disease	●				
E2609 Alzheimer's Disease | Collaborator: Eisai Co., Ltd.	●				
BIIB 061 Multiple Sclerosis	●				

FINANCIALS

GAAP TO NON-GAAP RECONCILIATION

Condensed Consolidated Statements of Income – Operating Basis

(unaudited, $ in millions except per share amounts)	FY 09	10	11	12	13
GAAP diluted EPS	$ 3.35	$ 3.94	$ 5.04	$ 5.76	$ 7.81
Adjustment to net income attributable to Biogen Idec Inc. (see below)	$ 0.77	$ 1.21	$ 0.86	$ 0.77	$ 1.15
Non-GAAP diluted EPS	$ 4.12	$ 5.15	$ 5.90	$ 6.53	$ 8.96
GAAP Net Income Attributable to Biogen Idec Inc.	$ 970	$ 1,005	$ 1,234	$ 1,380	$ 1,862
R&D – Severance and restructuring	3	1	–	9	–
R&D – Expenses paid by Cardiokine	8	5	–	–	–
SG&A – Severance and restructuring	–	6	–	–	–
2010 Restructuring initiatives	–	75	19	2	–
Amortization of intangible assets	290	209	207	194	331
Fair value adjustment of contingent consideration associated with 2010 Panima acquisition, 2011 purchase of Dompe's noncontrolling interest and the 2012 acquisition of Stromedix	–	–	36	27	(1)
Contingent consideration payments made in 2010 associated with the 2007 Syntonix acquisition and the 2010 IPR&D charge related to the consolidation of Knopp	–	245	–	–	–
Weston exit costs	–	–	–	–	27
Net income attributable to noncontrolling interests: consolidation of Knopp in 2010 and expenses paid by Cardiokine in 2009 and 2010	(8)	(149)	–	–	–
Income tax effect primarily related to reconciling items	(97)	(116)	(62)	(53)	(93)
Stock option expense	29	33	12	8	10
Non-GAAP Net Income Attributable to Biogen Idec Inc.	$ 1,195	$ 1,315	$ 1,446	$ 1,567	$ 2,136

Numbers may not foot due to rounding

FREE CASH FLOW RECONCILIATION

(unaudited, $ in millions)	FY 09	10	11	12	13
Net cash flows provided by operating activities	$ 1,075	$ 1,625	$ 1,728	$ 1,880	$ 2,345
Purchases of property, plant and equipment (Capital Expenditures)	166	173	208	255	246
Free Cash Flow	$ 909	$ 1,452	$ 1,520	$ 1,625	$ 2,099

NOTES: The non-GAAP net income attributable to Biogen Idec Inc. and non-GAAP diluted EPS presented are defined as reported, or GAAP, values excluding (1) certain purchase accounting and merger-related adjustments, (2) stock option expense (3) other select items and (4) their related tax effects. Free cash flow is defined as net cash flows provided by operating activities less purchases of property, plant and equipment, as disclosed within our Form 10-K. We believe the disclosure of these non-GAAP financial measures provides investors additional insight into the ongoing economics of our business and reflects how we manage our business internally, set operational goals and form the basis of our management incentive programs. These non-GAAP financial measures are not in accordance with GAAP and should not be viewed in isolation or as a substitute for comparable reported, or GAAP financial measures. Numbers may not foot due to rounding. Additional reconciliations of our non-GAAP financial measures can be found in the Investors section of www.biogenidec.com.

SAFE HARBOR: This annual report contains forward-looking statements, including statements about our goals, prospects and strategies, regulatory filings and agency actions, product launch plans, anticipated data readouts from programs in our clinical pipeline, and expectations relating to our research and collaboration efforts. These forward-looking statements may be accompanied by such words as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “project,” “target,” “will” and other words and terms of similar meaning. You should not place undue reliance on these statements. These statements involve risks and uncertainties that could cause actual results to differ materially from those reflected in such statements, including: our dependence on sales from our principal products; uncertainty of success in executing our commercial launch of TECFIDERA; difficulties in obtaining or changes in the availability of reimbursement for our products; uncertainty of success in commercializing and developing other products, including our ability to obtain product approvals in a timely manner or at all for new or current products; uncertainty of sales relating to TYSABRI; the occurrence of adverse safety events with our products; failure to compete effectively due to significant product competition in the markets for our products; adverse market and economic conditions, which may cause continued pressure on product pricing or otherwise impact the extent of reimbursement for our products or the timing of payments to us; problems with our manufacturing processes; dependence on collaborators and other third parties for the development and commercialization of products; failure to comply with government regulation; the risks of doing business internationally; failure to manage our growth and execute our growth initiatives; charges and other costs relating to our properties; risks and uncertainties relating to the timing, outcome and impact of legal, administrative and other proceedings and disputes; fluctuations in our effective tax rate; our ability to attract and retain qualified personnel; uncertainty and potential liabilities relating to product liability and intellectual property claims; the market, interest and credit risks associated with our portfolio of marketable securities; environmental risks; and the other risks and uncertainties that are described in the Risk Factors section of our most recent annual or quarterly report and in other reports we have filed with the SEC. These statements are based on our current beliefs and expectations and speak only as of April 1, 2014. We do not undertake any obligation to publicly update any forward-looking statements.

MANAGEMENT TEAM

EXECUTIVE MANAGEMENT (PICTURED LEFT TO RIGHT):

John G. Cox
Executive Vice President, Pharmaceutical Operations and Technology

Susan H. Alexander
Executive Vice President, Chief Legal Officer and Corporate Secretary

Paul J. Clancy
Executive Vice President, Finance and Chief Financial Officer

Spyros Artavanis-Tsakonas, Ph.D.
Senior Vice President and Chief Scientific Officer

Stuart A. Kingsley
Executive Vice President, Global Commercial Operations

George A. Scangos, Ph.D.
Chief Executive Officer

Alfred W. Sandrock Jr., M.D., Ph.D.
Group Senior Vice President and Chief Medical Officer

Kenneth DiPietro
Executive Vice President, Human Resources

Douglas E. Williams, Ph.D.
Executive Vice President, Research and Development

Steven H. Holtzman
Executive Vice President, Corporate Development

CORPORATE INFORMATION

BOARD OF DIRECTORS

William D. Young
Chairman, Biogen Idec and Venture Partner, Clarus Ventures, LLC

George A. Scangos, Ph.D.
Chief Executive Officer, Biogen Idec

Alexander J. Denner, Ph.D.
Founding Partner and Chief Investment Officer, Sarissa Capital Management, LP

Caroline D. Dorsa
Executive Vice President and Chief Financial Officer, Public Service Enterprise Group Incorporated

Nancy L. Leaming
Retired Chief Executive Officer and President, Tufts Health Plan

Richard C. Mulligan, Ph.D.
Mallinckrodt Professor of Genetics Emeritus, Harvard Medical School and Founding Partner, Sarissa Capital Management, LP

Robert W. Pangia
Chief Executive Officer, Ivy Sports Medicine, LLC

Stelios Papadopoulos, Ph.D.
Chairman, Exelixis, Inc.

Brian S. Posner
Private Investor and President, Point Rider Group, LLC

Eric K. Rowinsky, M.D.
Head of R&D and Chief Medical Officer, Stemline Therapeutics, Inc.

The Honorable Lynn Schenk
Attorney and Former Chief of Staff to the Governor of California and former U.S. Congresswoman

Stephen A. Sherwin, M.D.
Life Sciences Advisor and Clinical Professor of Medicine, University of California, San Francisco

SHAREHOLDER INFORMATION

Corporate Headquarters
Biogen Idec Inc.
225 Binney Street
Cambridge, MA 02142
(617) 679-2000

SEC Form 10-K
A copy of Biogen Idec's Annual Report on Form 10-K filed with the Securities and Exchange Commission is available at **sec.gov** and upon request to:

Investor Relations Department
Biogen Idec Inc.
225 Binney Street
Cambridge, MA 02142
(781) 464-2442

Transfer Agent
For shareholder questions regarding lost stock certificates, address changes and changes of ownership or names in which the shares are held, direct inquiries to:

Computershare Trust Company NA
250 Royall Street
Canton, MA 02021
(781) 575-2879
computershare.com

Independent Accountants
PricewaterhouseCoopers LLP
125 High Street
Boston, MA 02110

News Releases
As a service to our shareholders and prospective investors, copies of Biogen Idec news releases issued in the last 12 months are now available almost immediately 24 hours a day, seven days a week, on the web at **businesswire.com**. Biogen Idec's news releases are usually posted within one hour of being issued and are available at no cost at **biogenidec.com**.

Market Information
Our common stock trades on The NASDAQ Global Select Market under the symbol "BIIB."

The following table shows the high and low sales price for our common stock as reported by the NASDAQ Global Select Market for each quarter in the years ended December 31, 2013 and 2012.

Common Stock Price

	HIGH	LOW
Q1	$127.85	$111.44
Q2	$144.38	$124.23
Q3	$157.18	$137.88
Q4	$155.30	$134.00

2012

	HIGH	LOW
Q1	$192.92	$139.72
Q2	$242.64	$191.80
Q3	$248.95	$203.55
Q4	$298.82	$221.07

2013