

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

BIOGEN IDEC INC.
Form PRRN14A
May 02, 2008

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No. 1)

Filed by the Registrant []

Filed by a Party other than the Registrant [x]

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to ss. 240.14a-12

Biogen Idec Inc.
(Name of Registrant as Specified In Its Charter)

Carl C. Icahn
Alexander J. Denner
Anne B. Young
Richard C. Mulligan
Vincent J. Intrieri
Keith A. Meister
David Schechter
Icahn Partners LP
Icahn Partners Master Fund LP
Icahn Partners Master Fund II LP
Icahn Partners Master Fund III LP
High River Limited Partnership
Barberry Corp.
Hopper Investments LLC
Icahn Offshore LP
Icahn Onshore LP
Icahn Capital LP
IPH GP LLC
Icahn Enterprises Holdings L.P.
Icahn Enterprises G.P. Inc.
Beckton Corp.

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

Payment of Filing Fee (check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rule 14a-6(i)(4) 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

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

[] Fee paid previously with preliminary materials.

[] 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:

PRELIMINARY PROXY

2008 ANNUAL MEETING OF STOCKHOLDERS
OF
BIOGEN IDEC INC.

PRELIMINARY PROXY STATEMENT

OF

CARL C. ICAHN
ALEXANDER J. DENNER
ANNE B. YOUNG
RICHARD C. MULLIGAN
VINCENT J. INTRIERI
KEITH A. MEISTER
DAVID SCHECHTER
ICAHN PARTNERS LP
ICAHN PARTNERS MASTER FUND LP
ICAHN PARTNERS MASTER FUND II LP
ICAHN PARTNERS MASTER FUND III LP
HIGH RIVER LIMITED PARTNERSHIP
BARBERRY CORP.
HOPPER INVESTMENTS LLC
ICAHN OFFSHORE LP
ICAHN ONSHORE LP
ICAHN CAPITAL LP
IPH GP LLC
ICAHN ENTERPRISES HOLDINGS L.P.
ICAHN ENTERPRISES G.P. INC.
BECKTON CORP.

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

To Our Fellow Biogen Stockholders:

This Proxy Statement and the accompanying GOLD proxy card are being furnished to stockholders ("Stockholders") of Biogen Idec Inc. ("Biogen") in connection with the solicitation of proxies by Carl C. Icahn and certain of his affiliates and associates, to be used at the 2008 Annual Meeting (the "Annual Meeting") of Stockholders of Biogen which is scheduled to be held at _____ p.m., local time, on _____, 2008, at _____, and at any adjournments, postponements or continuations thereof. This Proxy Statement and the GOLD proxy card are first being furnished to Stockholders on or about May __, 2008.

At the Annual Meeting, the Participants (as hereinafter defined) will seek to elect to the Board of Directors of Biogen - Dr. Alexander J. Denner, Dr. Anne B. Young and Professor Richard C. Mulligan (each a "Nominee", and collectively, the "Nominees") who has each consented to being named in this Proxy Statement and, if elected, to serve as a director.

In addition, Biogen's Amended and Restated ByLaws (the "Bylaws") provide for a three-class classified board, the size of which may be expanded by a vote of the Board. In order to provide the Stockholders with the ability to elect a majority of Stockholder nominated directors following the 2009 annual meeting, the Participants will seek to amend the ByLaws to fix the number of directors at twelve. For example, if the Stockholders elect Dr. Alexander J. Denner, Dr. Anne B. Young and Professor Richard C. Mulligan to the Board at the 2008 Annual Meeting, and in 2009, a Stockholder nominates, and the Stockholders elect, four director nominees at the 2009 annual meeting, then the Board would include seven Stockholder nominated directors. If the Bylaw Amendments (as defined below) are adopted by the Stockholders at the 2008 Annual Meeting and the Board is fixed at 12 directors, then those seven Stockholder nominated directors elected over the course of two annual meetings would constitute a majority of the Board. However, because the current Bylaws allow the Board to expand the size of the Board, if the Bylaw Amendments are not adopted at the 2008 Annual Meeting and the Board decides to expand the size of the Board (despite the possibility that such a decision to expand the size of the Board could constitute a breach of fiduciary duty under applicable law), then those seven Stockholder nominated directors would merely constitute a minority of the Board. As such, the Participants will seek to amend the Bylaws (collectively, the "Bylaw Amendments"):

- o to replace the first sentence of Section 3.1 of the Bylaws, which reads:

"The number of directors that shall constitute the entire Board initially shall be twelve (12); provided, however, that the number of directors that shall constitute the entire Board shall be fixed from time to time by resolution adopted by a majority of the entire Board,"

in its entirety with the following sentence:

"The number of directors that shall constitute the entire Board shall be twelve (12)."

- o to delete, in its entirety, the first sentence of Section 3.2 of the Bylaws which reads:

"The number of members of the Board may be increased at any time as provided in Section 3.1 above."

- o to delete, in their entirety, the words "and newly created

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

directorships resulting from any increase in the authorized number of directors", appearing in the second sentence of Section 3.2 of the Bylaws which reads, in its entirety:

"Sole power to fill vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be vested in the Board, and each director so chosen shall hold office until the next annual election at which the term of the class to which they have been elected expires and until such director's successor is duly elected and qualified or until such director's earlier resignation, removal from office, death or incapacity."

DR. ALEXANDER J. DENNER, DR. ANNE B. YOUNG AND PROFESSOR RICHARD C. MULLIGAN URGE STOCKHOLDERS TO VOTE FOR EACH OF THEM AS DIRECTORS AND TO VOTE FOR EACH OF THE BYLAW AMENDMENTS.

The Nominees and each of the other Participants have no interest in Biogen other than through the beneficial ownership (if any) of shares of Common Stock, par value \$.0005 per share, of Biogen (the "Shares") or other securities (if any) of Biogen as disclosed herein, and, in the case of Dr. Young and Professor Mulligan, pursuant to an agreement in which certain affiliates of Carl C. Icahn have agreed to pay each of Dr. Young and Professor Mulligan \$25,000 and to indemnify each such Nominee with respect to certain costs incurred by each such Nominee in connection with the proxy contest relating to the Annual Meeting (the "Nominee Agreement").

DR. ALEXANDER J. DENNER, DR. ANNE B. YOUNG AND PROFESSOR RICHARD C. MULLIGAN ARE COMMITTED TO ACTING IN THE BEST INTEREST OF ALL STOCKHOLDERS OF BIOGEN. WE URGE YOU TO VOTE YOUR GOLD PROXY CARD FOR DR. ALEXANDER J. DENNER, DR. ANNE B. YOUNG AND PROFESSOR RICHARD C. MULLIGAN AND FOR EACH OF THE BYLAW AMENDMENTS.

IMPORTANT

According to Biogen's Proxy Statement, the Bylaws and applicable law, the election of the Nominees requires the affirmative vote of a plurality of the votes cast by the holders of Biogen's Common Stock at a meeting at which a quorum is present in person or represented by proxy. The amendment of the Bylaws requires the affirmative vote of a majority of the Shares issued and outstanding and entitled to vote. As a result, your vote is extremely important. We urge you to mark, sign, date, and return the enclosed GOLD proxy card to vote FOR the election of each Nominee and FOR the Bylaw Amendments.

WE URGE YOU NOT TO SIGN ANY PROXY CARD SENT TO YOU BY BIOGEN. IF YOU HAVE ALREADY DONE SO, YOU MAY REVOKE YOUR PROXY BY DELIVERING A LATER-DATED GOLD PROXY CARD IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE, EXECUTING A VOTE VIA INTERNET OR TELEPHONE, OR BY VOTING IN PERSON AT THE ANNUAL MEETING. SEE "VOTING PROCEDURES" AND "PROXY PROCEDURES" BELOW.

If you have any questions or require any assistance in executing your proxy, please call:

Georgeson Inc.
Stockholders call toll-free: (800) 377-9583
Banks and Brokers call collect: (212) 440-9800

Only holders of record of Biogen's voting securities as of the close of

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

business on _____, 2008 (the "Record Date") are entitled to notice of, and to attend and to vote at, the Annual Meeting and any adjournments or postponements thereof. According to the proxy statement of Biogen filed with the Securities and Exchange Commission ("Biogen's Proxy Statement"), as of the Record Date, there were outstanding _____ shares of Common Stock. Stockholders of record at the close of business on the Record Date will be entitled to one vote at the Annual Meeting for each share of Common Stock of Biogen held on the Record Date.

As of the Record Date, the Participants and their affiliates beneficially owned an aggregate of _____ shares of Common Stock, representing approximately ____% of the outstanding shares of Common Stock. The Participants and their affiliates intend to vote such shares FOR the election of the Nominees and FOR the Bylaw Amendments.

VOTE FOR THE NOMINEES AND FOR THE BYLAW AMENDMENTS BY USING THE ENCLOSED GOLD PROXY TO VOTE TODAY - BY TELEPHONE, BY INTERNET, OR BY MARKING, SIGNING, DATING AND RETURNING THE GOLD PROXY CARD IN THE POSTAGE-PAID ENVELOPE PROVIDED TO YOU.

PARTICIPANTS IN SOLICITATION OF PROXIES

In addition to the Nominees (who are Dr. Alexander J. Denner, Dr. Anne B. Young and Professor Richard C. Mulligan), the participants in the solicitation of proxies (the "Participants") from stockholders of Biogen Idec Inc. ("Biogen" or the "Corporation") include the following: Mr. Carl C. Icahn, Icahn Partners LP, a Delaware limited partnership ("Icahn Partners"), Icahn Partners Master Fund LP, a Cayman Islands limited partnership ("Icahn Master"), Icahn Partners Master Fund II LP, a Cayman Islands limited partnership ("Icahn Master II"), Icahn Partners Master Fund III LP, a Cayman Islands limited partnership ("Icahn Master III"), High River Limited Partnership, a Delaware limited partnership ("High River"), Barberry Corp., a Delaware corporation ("Barberry"), Hopper Investments LLC, a Delaware limited liability company ("Hopper"), Beckton Corp., a Delaware corporation ("Beckton"), Icahn Enterprises G.P. Inc., a Delaware corporation ("Icahn Enterprises GP"), Icahn Enterprises Holdings L.P., a Delaware limited partnership ("Icahn Enterprises Holdings"), IPH GP LLC, a Delaware limited liability company ("IPH"), Icahn Capital LP, a Delaware limited partnership ("Icahn Capital"), Icahn Onshore LP, a Delaware limited partnership ("Icahn Onshore"), Icahn Offshore LP, a Delaware limited partnership ("Icahn Offshore"), Mr. Vincent J. Intrieri, Mr. Keith A. Meister and Mr. David Schechter.

The address of Icahn Partners, High River, Barberry, Hopper, Icahn Enterprises GP, Icahn Enterprises Holdings, Beckton, IPH, Icahn Capital, Icahn Onshore and Icahn Offshore is White Plains Plaza, 445 Hamilton Avenue - Suite 1210, White Plains, NY 10601. The address of Icahn Master, Icahn Master II and Icahn Master III is c/o Walkers SPV Limited, P.O. Box 908GT, 87 Mary Street, George Town, Grand Cayman, Cayman Islands. Mr. Icahn's, Dr. Denner's, Mr. Intrieri's, Mr. Meister's and Mr. Schechter's business address is c/o Icahn Associates Corp., 767 Fifth Avenue, 47th Floor, New York, NY 10153. Dr. Young's business address is Neurology Service, 720 Wang Building, Massachusetts General Hospital, 55 Fruit Street, Boston, MA 02114. Professor Mulligan's business address is Harvard Gene Therapy Initiative, Harvard Institutes of Medicine, Suite 407, 4 Blackfan Circle, Boston, MA 02115.

Icahn Partners, Icahn Master, Icahn Master II, Icahn Master III and High River (collectively, the "Icahn Parties") are entities controlled by Mr. Icahn. Messrs. Denner, Meister, Intrieri and Schechter are employees and/or officers and directors of the Icahn Parties and various other entities controlled by Mr.

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn who may also participate in soliciting proxies from Biogen Stockholders. Messrs. Denner, Intrieri, Meister and Schechter do not own beneficially any interest in securities of Biogen, and will not receive any special compensation in connection with such solicitation. In connection with their employment by Mr. Icahn and his affiliated companies, Messrs. Denner, Meister, Intrieri and Schechter, among other employees, each has a participatory interest in the profits and fees derived by Mr. Icahn and/or his affiliated entities from Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III (collectively, the "Funds"). Because only a portion of such profit interests are distributed and because of their other investments in the Funds, each of Messrs. Denner, Meister and Intrieri also has capital accounts in the Funds. Generally, in the aggregate: (i) Mr. Meister's profit interests and capital accounts in the Funds entitle him to less than 2% of the profits generated by the Funds; (ii) Mr. Intrieri's profit interests and capital accounts in the Funds entitle him to less than 2% of the profits generated by the Funds; (iii) Mr. Schechter's profit interests in the Funds entitle him to less than 1% of the profits generated by the Funds; and (iv) Dr. Denner's profit interests and capital accounts in the Funds entitle him to less than 2% of the profits generated by the Funds.

Each of Icahn Partners, Icahn Master, Icahn Master II, Icahn Master III and High River is principally engaged in the business of investing in securities.

Annex A attached hereto sets forth, as to the Nominees and the other Participants, all transactions in securities of Biogen effected during the past two years and their beneficial ownership of securities of Biogen.

With respect to each Participant (including the Nominees), except as set forth herein or in any of the Annexes attached hereto, (i) such Participant is not, nor was within the past year, a party to any contract, arrangement or understanding with any person with respect to any securities of Biogen, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; and (ii) neither such Participant nor any of such Participant's associates have any arrangement or understanding with any person with respect to (A) any future employment by Biogen or its affiliates or (B) any future transactions to which Biogen or any of its affiliates will or may be a party.

PROPOSAL 1 -- ELECTION OF DIRECTORS

On January 24, 2008 the Icahn Parties delivered a letter to Biogen, notifying Biogen that the Icahn Parties nominate and will seek to elect at the Annual Meeting - Dr. Alexander J. Denner, Dr. Anne B. Young and Professor Richard C. Mulligan as members of the board of directors of Biogen. The Nominees, if elected, would serve a three-year term and hold office until the 2011 annual meeting of Stockholders and until a successor has been duly elected and qualified. Background information about each of the Nominees is set forth below.

According to Biogen's Proxy Statement, the Board of Directors of Biogen (the "Board") intend to nominate four candidates for election as directors at the Annual Meeting. This proxy statement is soliciting proxies to elect not only Dr. Denner, Dr. Young and Professor Mulligan, but also the Biogen nominee other than Mr. Cecil B. Pickett, Ms. Lynn Schenk and Mr. Stelios Papadopoulos. This gives stockholders who wish to vote for Dr. Denner, Dr. Young and Professor Mulligan and such other person the ability to do so. Under applicable proxy rules we are required either to solicit proxies only for Dr. Denner, Dr. Young and Professor Mulligan, which could result in limiting the ability of

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Stockholders to fully exercise their voting rights with respect to Biogen's nominees, or to solicit for Dr. Denner, Dr. Young and Professor Mulligan and for fewer than all of Biogen's nominees, which enables a Stockholder who desires to vote for Dr. Denner, Dr. Young and Professor Mulligan to also vote for the Biogen nominee for whom we are soliciting proxies. Mr. Icahn notes that, subject to the Stockholders approval of the Bylaw Amendments, if Dr. Denner, Dr. Young and Professor Mulligan are elected, and if a majority of the Board members thereafter determines that it would be desirable that Mr. Cecil B. Pickett, Ms. Lynn Schenk and Mr. Stelios Papadopoulos serve as Board members, the Board could permit that result by increasing the size of the Board and adding Mr. Cecil B. Pickett, Ms. Lynn Schenk and Mr. Stelios Papadopoulos as additional members.

Dr. Anne B. Young and Professor Richard C. Mulligan are each party to an agreement substantially in the form attached hereto as Annex B, pursuant to which the Icahn Parties have agreed to pay certain fees to each such Nominee and to indemnify each such Nominee with respect to certain costs incurred by each such Nominee in connection with the proxy contest relating to the Annual Meeting (the "Nominee Agreement"). Except as disclosed in this Proxy Statement, including the Annexes attached hereto and as provided in the Nominee Agreement (which, among other things, provides for a payment to each of Dr. Young and Professor Mulligan of \$25,000), none of the Nominees receive any compensation from any of the Participants or any of their affiliates in connection with this proxy solicitation. Dr. Young and Professor Mulligan have an interest in the election of directors at the Annual Meeting pursuant to the Nominee Agreement relating to such Nominee. Dr. Denner has an interest in the election of directors at the Annual Meeting indirectly through his capital accounts and other investments in the Funds.

The Nominees would not be barred from being considered independent under the independence requirements of The NASDAQ Stock Market, Inc. and the independence standards applicable to Biogen under paragraph (a)(1) of Item 407 of Regulation S-K under the Securities Exchange Act of 1934, as amended.

Other than as disclosed in this Proxy Statement, including the Annexes attached hereto, (i) the Nominees are not, nor were they within the past year, a party to any contract, arrangement or understanding with any person with respect to any securities of Biogen, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; and (ii) none of the Nominees nor any of their respective associates have any arrangement or understanding with any person with respect to (A) any future employment by Biogen or its affiliates or (B) any future transactions to which Biogen or any of its affiliates will or may be a party.

DR. ALEXANDER J. DENNER

Dr. Alexander J. Denner, 38, serves as a Managing Director of entities affiliated with Carl C. Icahn, including Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III. Dr. Denner has served in this position since August 2006. Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III are private investment funds. From April 2005 to May 2006, Dr. Denner served as a portfolio manager specializing in healthcare investments for Viking Global Investors. Previously he served in a variety of roles at Morgan Stanley, beginning in 1996, including as portfolio manager of healthcare and biotechnology mutual funds. Since September 2006, Dr. Denner has served as a director of ImClone Systems Incorporated, a publicly traded biopharmaceutical company and has served as the chairman of the executive committee of ImClone. In addition, Dr. Denner has served as a director of Adventrx Pharmaceuticals Inc.,

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

a publicly traded biopharmaceutical company since October 2006. Dr. Denner currently serves as a director of HyperMed, Inc., a privately held company specializing in imaging platforms for medical and surgical applications. Dr. Denner received his S.B. degree from the Massachusetts Institute of Technology and his M.S., M.Phil. and Ph.D. degrees from Yale University.

DR. ANNE B. YOUNG

Dr. Young, 60, Julieanne Dorn Professor of Neurology at Harvard Medical School and the Chief, Neurology Service at Massachusetts General Hospital, is a researcher and clinician whose work has concentrated on neurotransmitter systems in the basal ganglia and their role in Huntington's, Alzheimer's and Parkinson's diseases. Dr. Young holds membership in both the Institute of Medicine and the American Academy of Arts and Sciences. Dr. Young was inducted as a Fellow in the Royal Academy of Physicians in London in 2005. Dr. Young is a Phi Beta Kappa, summa cum laude graduate of Vassar College who completed her medical studies at Johns Hopkins in 1973. She received a Ph.D. in Pharmacology from Johns Hopkins in 1974, and then completed residency training in neurology at the University of California, San Francisco. After residency, she joined the neurology faculty at the University of Michigan where she advanced to Professor in 1985. In 1991, she was recruited to the Massachusetts General Hospital as Chief of the Neurology Service and Julieanne Dorn Professor of Neurology at Harvard Medical School.

Dr. Young provided some of the first evidence that glutamic acid is a neurotransmitter. Subsequently, she and her colleagues identified glutamate as a transmitter of corticostriatal and corticospinal tracts. Her laboratory first described techniques to measure subtypes of glutamate receptors autoradiographically and went on to demonstrate receptor alterations in Huntington's and Alzheimer's disease. Dr. Young's current research work includes elucidating cellular and systems mechanisms underlying the pathophysiology of neurodegenerative diseases such as Huntington's disease, Alzheimer's disease and Parkinson's disease. In an effort to help develop therapeutic targets for human disorders of movement, she is conducting studies on the vulnerability of neurons to excitotoxic injury and the selective expression of glutamate receptors in these neurons. Recently, she has discovered that transgenic animals expressing exon 1 of the huntingtin protein (Huntington's disease is caused by a mutation of the gene encoding this protein) have markedly altered receptors that may play a central role in the neuronal degeneration of Huntington's disease. Her studies suggest that mutant huntingtin may alter receptor expression selectively when it accumulates in the nucleus. Altered receptor expression occurs early and may contribute to selective cell death.

Dr. Young serves on the editorial board of numerous biomedical journals and she has been the recipient of many awards and honors for her work. She is a member of the Scientific Advisory Boards of several voluntary organizations. She is the past President of the American Neurological Association and the Society for Neuroscience.

PROFESSOR RICHARD C. MULLIGAN

Professor Mulligan, 53, is the Mallinckrodt Professor of Genetics at Harvard Medical School, and Director of the Harvard Gene Therapy Initiative. Professor Mulligan received his B.S. degree from the Massachusetts Institute of Technology, and his Ph.D. from the Department of Biochemistry at Stanford University School of Medicine. After receiving postdoctoral training at the Center for Cancer Research at MIT, Professor Mulligan joined the MIT faculty and subsequently was appointed Professor of Molecular Biology and Member of the Whitehead Institute for Biomedical Research before moving to Children's Hospital and Harvard in 1996. His honors include the MacArthur Foundation Prize, the

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Rhodes Memorial Award of the American Association for Cancer Research, the ASMB-Amgen Award, and the Nagai Foundation International Prize. Professor Mulligan has been associated with a number of biotechnology companies, including Somatix Therapy Corporation (as founder and member of the Scientific Advisory Board and Board of Directors, and Chief Scientific Officer), Cell Genesys (as member of the Scientific Advisory Board) and ImClone, where he served on the Scientific Advisory Board and has been a Director and member of the Executive Committee since September 2006. He has also served on the National Institutes of Health's Recombinant DNA Advisory Committee and on the U.S. Food and Drug Administration Biological Response Modifiers Advisory Committee.

WE STRONGLY URGE YOU TO VOTE FOR THE ELECTION OF DR. ALEXANDER J. DENNER, DR. ANNE B. YOUNG AND PROFESSOR RICHARD C. MULLIGAN BY MARKING, SIGNING, DATING AND RETURNING THE ENCLOSED GOLD PROXY CARD IN THE POSTAGE PAID ENVELOPE PROVIDED TO YOU WITH THIS PROXY STATEMENT OR BY USING THE GOLD PROXY CARD TO VOTE BY TELEPHONE OR INTERNET. IF YOU HAVE SIGNED THE GOLD PROXY CARD AND NO MARKING IS MADE, YOU WILL BE DEEMED TO HAVE GIVEN A DIRECTION TO VOTE ALL THE SHARES REPRESENTED BY THE GOLD PROXY CARD FOR THE ELECTION OF DR. ALEXANDER J. DENNER, DR. ANNE B. YOUNG, PROFESSOR RICHARD C. MULLIGAN AND THE BIOGEN NOMINEE OTHER THAN MR. CECIL B. PICKETT, MS. LYNN SCHENK AND MR. STELIO PAPADOPOULOS.

PROPOSAL 2 -- BYLAW AMENDMENTS

Biogen's ByLaws provide for a three-class classified board, the size of which may be expanded by a vote of the Board. In order to provide the Stockholders with the ability to elect a majority of Stockholder nominated directors following the 2009 annual meeting, the Participants will seek to amend the ByLaws to fix the number of directors at twelve. For example, if the Stockholders elect Dr. Alexander J. Denner, Dr. Anne B. Young and Professor Richard C. Mulligan to the Board at the 2008 Annual Meeting, and in 2009, a Stockholder nominates, and the Stockholders elect, four director nominees at the 2009 annual meeting, then the Board would include seven Stockholder nominated directors. If the Bylaw Amendments are adopted by the Stockholders at the 2008 Annual Meeting and the Board is fixed at 12 directors, then those seven Stockholder nominated directors elected over the course of two annual meetings would constitute a majority of the Board. However, because the current ByLaws allow the Board to expand the size of the Board, if the Bylaw Amendments are not adopted at the 2008 Annual Meeting and the Board decides to expand the size of the Board (despite the possibility that such a decision to expand the size of the Board could constitute a breach of fiduciary duty under applicable law), then those seven Stockholder nominated directors would merely constitute a minority of the Board. As such, the Participants will seek to amend the ByLaws:

- o to replace the first sentence of Section 3.1 of the Bylaws, which reads:

"The number of directors that shall constitute the entire Board initially shall be twelve (12); provided, however, that the number of directors that shall constitute the entire Board shall be fixed from time to time by resolution adopted by a majority of the entire Board,"

in its entirety with the following sentence:

"The number of directors that shall constitute the entire Board shall be twelve (12)."

- o to delete, in its entirety, the first sentence of Section 3.2 of the Bylaws which reads:

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

"The number of members of the Board may be increased at any time as provided in Section 3.1 above."

- o to delete, in their entirety, the words "and newly created directorships resulting from any increase in the authorized number of directors", appearing in the second sentence of Section 3.2 of the Bylaws which reads, in its entirety:

"Sole power to fill vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be vested in the Board, and each director so chosen shall hold office until the next annual election at which the term of the class to which they have been elected expires and until such director's successor is duly elected and qualified or until such director's earlier resignation, removal from office, death or incapacity."

WE STRONGLY URGE YOU TO VOTE FOR THE BYLAW AMENDMENTS BY MARKING, SIGNING, DATING AND RETURNING THE ENCLOSED GOLD PROXY CARD IN THE POSTAGE PAID ENVELOPE PROVIDED TO YOU WITH THIS PROXY STATEMENT OR BY USING THE GOLD PROXY CARD TO VOTE BY TELEPHONE OR INTERNET. IF YOU HAVE SIGNED THE GOLD PROXY CARD AND NO MARKING IS MADE, YOU WILL BE DEEMED TO HAVE GIVEN A DIRECTION TO VOTE ALL THE SHARES REPRESENTED BY THE GOLD PROXY CARD FOR THE BYLAW AMENDMENTS.

OTHER MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

According to Biogen's Proxy Statement, Biogen is soliciting proxies with respect to three proposals other than the election of directors and the Bylaw Amendments. Please refer to Biogen's Proxy Statement for a detailed discussion of these proposals, including various arguments in favor of and against such proposals. These proposals are outlined below. IF YOU HAVE SIGNED THE GOLD PROXY CARD AND NO MARKING IS MADE, YOU WILL BE DEEMED TO HAVE GIVEN A DIRECTION TO VOTE ALL OF THE SHARES REPRESENTED BY YOUR GOLD PROXY CARD (I) FOR PROPOSAL 3 BELOW, AND (II) AGAINST PROPOSALS 4 AND 5 BELOW.

PROPOSAL 3 -- RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

At the Annual Meeting, the Stockholders will be asked to vote to ratify the selection of PricewaterhouseCoopers LLP as Biogen's independent registered public accounting firm. Biogen's Board of Directors recommended a vote for this proposal. The Participants intend to vote, and recommend that you vote, for this proposal.

PROPOSAL 4 -- APPROVAL OF BIOGEN'S 2008 OMNIBUS EQUITY PLAN

At the Annual Meeting, the Stockholders will be asked to vote to approve Biogen's 2008 Omnibus Equity Plan that will provide stock-based compensation to Biogen's employees. Biogen's Board of Directors recommended a vote for this proposal. The Participants intend to vote, and recommend that you vote, against this proposal.

PROPOSAL 5 -- APPROVAL OF BIOGEN'S 2008 PERFORMANCE-BASED MANAGEMENT INCENTIVE PLAN

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

At the Annual Meeting, the Stockholders will be asked to vote to approve Biogen's 2008 Performance-Based Management Incentive Plan that will provide a cash incentive program for certain members of management. Biogen's Board of Directors recommended a vote for this proposal. The Participants intend to vote, and recommend that you vote, against this proposal.

OTHER PROPOSALS

The Participants and their affiliates know of no other business to be presented at the Annual Meeting. If any other matters should properly come before the Annual Meeting, it is intended that the persons named on the enclosed GOLD proxy card will vote that proxy on such other matters in accordance with their judgment.

VOTING PROCEDURES

According to Biogen's Proxy Statement, the Bylaws and applicable law, holders of shares of Biogen's Common Stock, at the close of business on the Record Date are entitled to notice of, and to vote at, the Annual Meeting. Each share of Common Stock outstanding on the Record Date is entitled to one vote on each matter presented at the Annual Meeting.

According to Biogen's Proxy Statement, the Bylaws and applicable law, directors are elected by a plurality of the votes cast by the holders of Biogen's Common Stock at a meeting at which a quorum is present. Plurality means that the individuals who receive the largest number of votes cast are elected as directors up to the maximum number of directors to be chosen at the meeting. Consequently, any shares not voted (whether by abstention, broker nonvote or otherwise) have no impact in the election of directors. A quorum is a majority of the Shares issued and outstanding and entitled to vote, present in person or represented by proxy at the Annual Meeting. The Shares represented by a proxy marked "withhold" or "abstain" will be considered present at the Annual Meeting for purposes of determining a quorum.

According to Biogen's Proxy Statement, the Bylaws and applicable law, amendments to the Bylaws are effected by the affirmative vote of a majority of the Shares issued and outstanding and entitled to vote thereon. An affirmative vote means that a vote must be cast in favor of the Bylaw Amendments. Consequently, any shares not voted (whether by abstention, broker nonvoter or otherwise) would have the effect of a vote AGAINST the Bylaw Amendments. As of the Record Date, there were _____ Shares issued and outstanding. As a result, in order to amend the Bylaws, at least _____ Shares must be affirmatively voted in FAVOR of the Bylaw Amendments.

According to Biogen's Proxy Statement, the Bylaws and applicable law, the affirmative vote of a majority of Shares present in person or represented by proxy at the Annual Meeting and entitled to vote thereon are required to (i) ratify the selection of the independent registered accounting firm, (ii) approve Biogen's 2008 Omnibus Equity Plan and (iii) approve Biogen's 2008 Performance-Based Management Incentive Plan.

As explained in the detailed instructions on your GOLD proxy card, there are four ways you may vote. You may:

1. Sign, date and return the enclosed GOLD proxy card in the enclosed postage-paid envelope. We recommend that you vote on the GOLD proxy

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

card even if you plan to attend the Annual Meeting;

2. Vote via the Internet by following the voting instructions on the GOLD proxy card or the voting instructions provided by your broker, bank or other holder of record. If you submit your vote by Internet, you may incur costs associated with electronic access, such as usage charges from Internet access providers and telephone companies;
3. Vote by telephone by following the voting instructions on the GOLD proxy card or the instructions provided by your broker, bank or other holder of record; or
4. Vote in person by attending the Annual Meeting. Written ballots will be distributed to Stockholders who wish to vote in person at the Annual Meeting. If you hold your Shares through a bank, broker or other custodian, you must obtain a legal proxy from such custodian in order to vote in person at the meeting.

To submit a proxy with voting instructions by telephone please call the telephone number listed on the GOLD proxy card. Proxies may also be submitted over the Internet. Please refer to the GOLD proxy card for the website information. In each case Stockholders will be required to provide the unique control number which has been printed on each Stockholder's GOLD proxy card. In addition to the instructions that appear on the GOLD proxy card, step-by-step instructions will be provided by a recorded telephone message for those Stockholders submitting proxies by telephone, or at the designated website for those Stockholders submitting proxies over the Internet. Stockholders submitting their proxies with voting instructions by telephone or over the Internet will receive confirmation on the telephone that their vote by telephone was successfully submitted, and may provide an email address for confirmation that their vote by Internet was successfully submitted.

Whether or not you are able to attend the Annual Meeting, you are urged to complete the enclosed GOLD proxy and return it in the enclosed self-addressed, prepaid envelope. All valid proxies received prior to the meeting will be voted. If you specify a choice with respect to any item by marking the appropriate box on the proxy, the Shares will be voted in accordance with that specification. IF NO SPECIFICATION IS MADE, THE SHARES WILL BE VOTED (I) FOR DR. ALEXANDER J. DENNER FOR DIRECTOR; (II) FOR DR. ANNE B. YOUNG FOR DIRECTOR; (III) FOR PROFESSOR RICHARD C. MULLIGAN FOR DIRECTOR; (IV) FOR THE PERSON WHO HAS BEEN NOMINATED BY BIOGEN TO SERVE AS DIRECTOR, OTHER THAN MR. CECIL B. PICKETT, MS. LYNN SCHENK AND MR. STELIOS PAPAPOPOULOS; (V) FOR THE BYLAW AMENDMENTS; (VI) FOR THE RATIFICATION OF SELECTION OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM; (VII) AGAINST BIOGEN'S 2008 OMNIBUS EQUITY PLAN; (VIII) AGAINST BIOGEN'S 2008 PERFORMANCE-BASED MANAGEMENT INCENTIVE PLAN; AND (IX) IN THE PROXY HOLDERS' DISCRETION AS TO OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING.

If you have any questions or require any assistance in executing your proxy, please call:

Georgeson Inc.
Stockholders call toll-free: (800) 377-9583
Banks and Brokers call collect: (212) 440-9800

PROXY PROCEDURES

IN ORDER FOR YOUR VIEWS TO BE REPRESENTED AT THE ANNUAL MEETING, PLEASE MARK, SIGN, DATE AND RETURN THE ENCLOSED GOLD PROXY CARD IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE OR USE THE GOLD PROXY CARD TO VOTE BY TELEPHONE OR

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

INTERNET.

The accompanying GOLD proxy card will be voted at the Annual Meeting in accordance with your instructions on such card.

Only holders of record as of the close of business on the Record Date will be entitled to vote. If you were a Stockholder of record on the Record Date, you will retain your voting rights at the Annual Meeting even if you sell such shares after the Record Date. Accordingly, it is important that you vote the shares held by you on the Record Date, or grant a proxy to vote such shares on the GOLD proxy card, even if you sell such shares after the Record Date.

IF YOUR SHARES ARE HELD IN THE NAME OF A BROKERAGE FIRM, BANK, BANK NOMINEE OR OTHER INSTITUTION ON THE RECORD DATE, ONLY IT CAN VOTE SUCH SHARES AND ONLY UPON RECEIPT OF YOUR SPECIFIC INSTRUCTIONS. ACCORDINGLY, PLEASE CONTACT THE PERSON RESPONSIBLE FOR YOUR ACCOUNT AND INSTRUCT THAT PERSON TO EXECUTE ON YOUR BEHALF THE GOLD PROXY CARD AS SOON AS POSSIBLE.

REVOCAION OF PROXIES

Any Stockholders of record may revoke or change his or her proxy instructions at any time prior to the vote at the Annual Meeting by:

- o submitting a properly executed, subsequently dated GOLD proxy card that will revoke all prior proxy cards, including any White proxy cards which you may have submitted to Biogen;
- o instructing the Icahn Parties by telephone or via the Internet as to how you would like your shares voted (instructions are on your GOLD proxy card);
- o attending the Annual Meeting and withdrawing his or her proxy by voting in person (although attendance at the Annual Meeting will not in and of itself constitute revocation of a proxy); or
- o delivering written notice of revocation either to the Icahn Parties c/o Georgeson Inc., 199 Water Street, 26th Floor, New York, New York 10038, or the Corporate Secretary of Biogen.

Although a revocation is effective if delivered to Biogen, the Icahn Parties request that either the original or a copy of any revocation be mailed to the Icahn Parties c/o Georgeson Inc., 199 Water Street, 26th Floor, New York, New York 10038, so that the Icahn Parties will be aware of all revocations.

IF YOU PREVIOUSLY SIGNED AND RETURNED A WHITE PROXY CARD TO BIOGEN, WE URGE YOU TO REVOKE IT BY (1) MARKING, SIGNING, DATING AND RETURNING THE GOLD PROXY CARD, (2) INSTRUCTING US BY TELEPHONE OR VIA THE INTERNET AS TO HOW YOU WOULD LIKE YOUR SHARES VOTED WITH RESPECT TO THE GOLD PROXY CARD, (3) ATTENDING THE ANNUAL MEETING AND VOTING IN PERSON OR (4) DELIVERING A WRITTEN NOTICE OF REVOCATION TO THE ICAHN PARTIES OR TO THE CORPORATE SECRETARY OF THE COMPANY.

COST AND METHOD OF SOLICITATION

Solicitation of proxies shall be made by Messrs. Icahn, Denner, Meister, Intrieri and Schechter.

The Icahn Parties have retained Georgeson Inc. ("Georgeson") to conduct the solicitation, for which Georgeson is to receive a fee not to exceed \$350,000, plus reimbursement for its reasonable out-of-pocket expenses. The Icahn Parties have agreed to indemnify Georgeson against certain liabilities and expenses,

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

including certain liabilities under the federal securities laws. Insofar as indemnification for liabilities arising under the federal securities laws may be permitted to Georgeson pursuant to the foregoing provisions, we have been informed, that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy and is therefore unenforceable. Proxies may be solicited by mail, courier services, Internet, advertising, telephone or telecopier or in person. It is anticipated that Georgeson will employ approximately 60 persons to solicit proxies from Biogen Stockholders for the Annual Meeting. The total expenditures in furtherance of, or in connection with, the solicitation of proxies is approximately \$___ to date, and is estimated to be \$___ in total.

The Icahn Parties intend to seek reimbursement for the costs and expenses associated with the proxy solicitation in the event that any of the Nominees are elected to the Board of Directors of Biogen, but do not intend to submit the issue of reimbursement to a vote of security holders.

ADDITIONAL INFORMATION

Certain information regarding the securities of Biogen held by Biogen's directors, management and 5% Stockholders is contained in Biogen's Proxy Statement. Information concerning the date by which proposals of security holders intended to be presented at the next annual meeting of Stockholders of Biogen must be received by Biogen for inclusion in Biogen's Proxy Statement and form of proxy for that meeting is also contained in Biogen's Proxy Statement. This information is expected to be contained in Biogen's public filings. The Participants take no responsibility for the accuracy or completeness of such information contained in Biogen's public filings.

Date: May __, 2008

CARL C. ICAHN
ALEXANDER J. DENNER
ANNE B. YOUNG
RICHARD C. MULLIGAN
VINCENT J. INTRIERI
KEITH A. MEISTER
DAVID S. SCHECHTER
ICAHN PARTNERS LP
ICAHN PARTNERS MASTER FUND LP
ICAHN PARTNERS MASTER FUND II LP
ICAHN PARTNERS MASTER FUND III LP
HIGH RIVER LIMITED PARTNERSHIP
BARBERRY CORP.
HOPPER INVESTMENTS LLC
ICAHN OFFSHORE LP
ICAHN ONSHORE LP
ICAHN CAPITAL LP
IPH GP LLC
ICAHN ENTERPRISES HOLDINGS L.P.
ICAHN ENTERPRISES G.P. INC.
BECKTON CORP.

ANNEX A

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

BENEFICIAL OWNERSHIP OF SECURITIES OF BIOGEN

BENEFICIAL OWNERSHIP OF SECURITIES OF BIOGEN AS OF THE CLOSE OF BUSINESS ON
MAY 1, 2008:

(1) TITLE OF CLASS (1)	(2) NAME OF BENEFICIAL OWNER (2)	(3) BENEFICIAL OWNERSHIP	(4) PERCENT OF CLASS (3)
Common Stock, par value \$0.0005 per share	High River	2,487,181	0.85%
Common Stock, par value \$0.0005 per share	Icahn Partners	3,736,220	1.28%
Common Stock, par value \$0.0005 per share	Icahn Master	4,323,051	1.48%
Common Stock, par value \$0.0005 per share	Icahn Master II	1,370,107	0.47%
Common Stock, par value \$0.0005 per share	Icahn Master III	519,345	0.18%
	TOTAL	12,435,904	4.24%

- (1) Please note that the Icahn Parties also purchased certain call options on Shares as described on Attachment 1 to this Annex A and wrote certain put options on Shares as described on Attachment 2 to this Annex A. All such call options were exercised on August 24, 2007. All such put options expired on August 24, 2007.
- (2) Please note that each Record Holder listed in this table is, as of the close of business on May 1, 2008, the direct beneficial owner of the Shares set forth under the heading "(3) Beneficial Ownership" and that indirect beneficial ownership of Shares is described below in the text of this Annex A under the heading "Description of Beneficial Ownership."
- (3) Please note that percentages of ownership set forth in this column were calculated based on the number of Shares stated to be outstanding as of April 17, 2008, as reported in Biogen's Form 10-Q for the quarter ended March 31, 2008.

INFORMATION ABOUT MR. ICAHN

Mr. Icahn has an interest in the election of directors at the Annual Meeting indirectly through the beneficial ownership of securities, as described below.

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Carl C. Icahn, 72, has served as chairman of the board and a director of Starfire Holding Corporation, a privately-held holding company, and chairman of the board and a director of various subsidiaries of Starfire, since 1984. Since August 2007, through his position as Chief Executive Officer of Icahn Capital LP, a wholly owned subsidiary of Icahn Enterprises L.P., and certain related entities, Mr. Icahn's principal occupation is managing private investment funds, including Icahn Partners LP, Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP and Icahn Partners Master Fund III LP. Prior to August 2007, Mr. Icahn conducted this occupation through his entities CCI Onshore Corp. and CCI Offshore Corp. since September 2004. Since November 1990, Mr. Icahn has been chairman of the board of Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises L.P. Icahn Enterprises L.P. is a diversified holding company engaged in a variety of businesses, including investment management, metals, real estate and home fashion. Mr. Icahn was chairman of the board and president of Icahn & Co., Inc., a registered broker-dealer and a member of the National Association of Securities Dealers, from 1968 to 2005. Mr. Icahn has served as chairman of the board and as a director of American Railcar Industries, Inc., a company that is primarily engaged in the business of manufacturing covered hopper and tank railcars, since 1994. From October 1998 through May 2004, Mr. Icahn was the president and a director of Stratosphere Corporation, the owner and operator of the Stratosphere Hotel and Casino in Las Vegas, which until February 2008, was a subsidiary of Icahn Enterprises L.P. From September 2000 to February 2007, Mr. Icahn served as the chairman of the board of GB Holdings, Inc., which owned an interest in Atlantic Coast Holdings, Inc., the owner and operator of The Sands casino in Atlantic City until November 2006. Mr. Icahn has been chairman of the board and a director of XO Holdings, Inc., a telecommunications services provider, since February 2006 and of its predecessor from January 2003 to February 2006. Mr. Icahn has served as a Director of Cadus Corporation, a company engaged in the ownership and licensing of yeast-based drug discovery technologies since July 1993. In May 2005, Mr. Icahn became a director of Blockbuster Inc., a provider of in-home movie rental and game entertainment. In October 2005, Mr. Icahn became a director of WestPoint International, Inc., a manufacturer of bed and bath home fashion products. In September 2006, Mr. Icahn became a director of ImClone Systems Incorporated, a biopharmaceutical company, and since October 2006 has been the chairman of the board of ImClone Systems. In August 2007, Mr. Icahn became a director of WCI Communities, Inc., a homebuilding company, and since September 2007 has been the chairman of the board of WCI. In December 2007, Mr. Icahn became a director of Federal-Mogul Corporation, a supplier of automotive products, and since January 2008 has been the chairman of the board of Federal-Mogul. In April, 2008, Mr. Icahn became a director of Motricity, Inc., a company that provides mobile content services and solutions. Mr. Icahn received his B.A. from Princeton University.

BENEFICIAL OWNERSHIP

Barberry Corp., a Delaware corporation ("Barberry"), is the sole member of Hopper Investments LLC, a Delaware limited liability company ("Hopper"), which is the general partner of High River. Beckton Corp., a Delaware corporation ("Beckton") is the sole stockholder of Icahn Enterprises G.P. Inc., a Delaware corporation ("Icahn Enterprises GP"), which is the general partner of Icahn Enterprises Holdings L.P. ("Icahn Enterprises Holdings"). Icahn Enterprises Holdings is the sole member of IPH GP LLC, a Delaware limited liability company ("IPH"), which is the general partner of Icahn Capital LP, a Delaware limited partnership ("Icahn Capital"). Icahn Capital is the general partner of each of Icahn Onshore LP, a Delaware limited partnership ("Icahn Onshore") and Icahn Offshore LP, a Delaware limited partnership ("Icahn Offshore"). Icahn Onshore is the general partner of Icahn Partners. Icahn Offshore is the general partner of each of Icahn Master, Icahn Master II and Icahn Master III. Each of Barberry and Beckton is 100 percent owned by Carl C. Icahn. As such, Mr. Icahn is in a

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

position indirectly to determine the investment and voting decisions made by each of High River, Icahn Partners, Icahn Master, Icahn Master II and Icahn Master III (collectively, the "Icahn Parties").

The Icahn Parties and Carl C. Icahn are deemed to beneficially own, in the aggregate, 12,435,904 Shares, representing approximately 4.24% of Biogen's outstanding Shares (based upon the 293,022,045 Shares stated to be outstanding as of April 17, 2008 by Biogen in Biogen's Form 10-Q filed for the quarter ended March 31, 2008.)

High River has sole voting power and sole dispositive power with regard to 2,487,181 Shares. Each of Hopper, Barberry and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Partners has sole voting power and sole dispositive power with regard to 3,736,220 Shares. Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Master has sole voting power and sole dispositive power with regard to 4,323,051 Shares. Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Master II has sole voting power and sole dispositive power with regard to 1,370,107 Shares. Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Master III has sole voting power and sole dispositive power with regard to 519,345 Shares. Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares.

Each of Hopper, Barberry and Mr. Icahn, by virtue of their relationships to High River, are deemed to beneficially own the Shares which High River directly beneficially owns. Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn, by virtue of their relationships to Icahn Partners, are deemed to beneficially own the Shares which Icahn Partners directly beneficially owns. Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn, by virtue of their relationships to Icahn Master, Icahn Master II and Icahn Master III, are deemed to beneficially own the Shares which Icahn Master, Icahn Master II and Icahn Master III directly beneficially own.

TWO YEAR SUMMARY TABLE

The following table indicates the date of each purchase and sale of Shares, as well as the exercise of call options, by the Icahn Parties within the past two years, and the number of shares in each such purchase, sale, or call option exercise.

NAME	DATE	SHARES PURCHASED/SOLD AND CALL OPTIONS EXERCISED (4)
----- HIGH RIVER -----		
High River	April 27, 2007	30,000
High River	April 30, 2007	25,000
High River	May 1, 2007	19,200

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

High River	May 2, 2007	31,300
High River	May 3, 2007	30,000
High River	May 4, 2007	20,000
High River	May 7, 2007	20
High River	May 8, 2007	6,934
High River	May 10, 2007	120,000
High River	May 11, 2007	20,000
High River	May 14, 2007	50,000
High River	May 15, 2007	40,000
High River	May 16, 2007	20,000
High River	May 17, 2007	30,000
High River	May 18, 2007	20,000
High River	May 21, 2007	10,000
High River	May 22, 2007	17,149
High River	May 24, 2007	106,000
High River	May 25, 2007	56,286
High River	May 29, 2007	43,111
High River	August 24, 2007	941,470 *
High River	August 24, 2007	943,952 **
High River	September 6, 2007	(147,100)
High River	September 7, 2007	(55,240)
High River	September 10, 2007	(2,098)
High River	September 25, 2007	(109,000)
High River	September 26, 2007	(60,530)
High River	October 16, 2007	(64,020)
High River	October 16, 2007	(67,046)
High River	December 13, 2007	500,000
High River	December 13, 2007	59,793
High River	December 18, 2007	(113,660)
High River	December 19, 2007	(107,207)
High River	December 19, 2007	(46,133)

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

High River	December 20, 2007	(160,000)
High River	December 21, 2007	(124,000)
High River	December 24, 2007	(108,793)
High River	December 24, 2007	(11,207)
High River	January 24, 2008	33,000
High River	January 25, 2008	390,000
ICAHN PARTNERS		
Icahn Partners	April 27, 2007	38,293
Icahn Partners	April 30, 2007	31,911
Icahn Partners	May 1, 2007	24,186
Icahn Partners	May 2, 2007	39,817
Icahn Partners	May 3, 2007	38,165
Icahn Partners	May 4, 2007	25,442
Icahn Partners	May 7, 2007	26
Icahn Partners	May 8, 2007	8,820
Icahn Partners	May 10, 2007	152,654
Icahn Partners	May 11, 2007	25,442
Icahn Partners	May 14, 2007	63,606
Icahn Partners	May 15, 2007	50,885
Icahn Partners	May 16, 2007	25,443
Icahn Partners	May 17, 2007	38,163
Icahn Partners	May 18, 2007	25,443
Icahn Partners	May 21, 2007	12,721
Icahn Partners	May 22, 2007	21,815
Icahn Partners	May 24, 2007	134,930
Icahn Partners	May 25, 2007	71,611
Icahn Partners	May 29, 2007	54,848
Icahn Partners	August 24, 2007	1,214,776 *
Icahn Partners	August 24, 2007	1,218,780 **
Icahn Partners	September 7, 2007	(54,463)
Icahn Partners	September 10, 2007	(2,878)

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Partners	September 25, 2007	(149,338)
Icahn Partners	September 26, 2007	(83,068)
Icahn Partners	October 16, 2007	(22,510)
Icahn Partners	December 13, 2007	754,630
Icahn Partners	December 13, 2007	367,948
Icahn Partners	December 18, 2007	(171,544)
Icahn Partners	December 19, 2007	(196,404)
Icahn Partners	December 19, 2007	(35,027)
Icahn Partners	December 20, 2007	(241,481)
Icahn Partners	December 21, 2007	(187,148)
Icahn Partners	December 24, 2007	(181,111)
Icahn Partners	January 24, 2008	34,982
Icahn Partners	January 25, 2008	585,855
ICAHN MASTER		
Icahn Master	April 27, 2007	55,094
Icahn Master	April 30, 2007	45,911
Icahn Master	May 1, 2007	36,875
Icahn Master	May 2, 2007	58,162
Icahn Master	May 3, 2007	55,738
Icahn Master	May 4, 2007	37,163
Icahn Master	May 7, 2007	38
Icahn Master	May 8, 2007	12,883
Icahn Master	May 10, 2007	222,979
Icahn Master	May 11, 2007	37,163
Icahn Master	May 14, 2007	92,908
Icahn Master	May 15, 2007	74,327
Icahn Master	May 16, 2007	37,163
Icahn Master	May 17, 2007	55,744
Icahn Master	May 18, 2007	37,164
Icahn Master	May 21, 2007	18,581
Icahn Master	May 22, 2007	31,866

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Master	May 24, 2007	196,907
Icahn Master	May 25, 2007	104,585
Icahn Master	May 29, 2007	80,102
Icahn Master	August 24, 2007	1,747,975 *
Icahn Master	August 24, 2007	1,776,777 **
Icahn Master	September 6, 2007	(405,705)
Icahn Master	September 7, 2007	(114,462)
Icahn Master	September 10, 2007	(3,789)
Icahn Master	September 25, 2007	(197,537)
Icahn Master	September 26, 2007	(109,329)
Icahn Master	October 16, 2007	(170,708)
Icahn Master	October 16, 2007	(169,108)
Icahn Master	December 13, 2007	862,247
Icahn Master	December 13, 2007	209,093
Icahn Master	December 18, 2007	(196,006)
Icahn Master	December 19, 2007	(13,087)
Icahn Master	December 19, 2007	(251,347)
Icahn Master	December 20, 2007	(275,919)
Icahn Master	December 21, 2007	(213,838)
Icahn Master	December 24, 2007	(121,143)
Icahn Master	December 24, 2007	(80,102)
Icahn Master	December 24, 2007	(5,694)
Icahn Master	January 24, 2008	85,509
Icahn Master	January 25, 2008	677,871
ICAHN MASTER II		
Icahn Master II	April 27, 2007	19,109
Icahn Master II	April 30, 2007	15,923
Icahn Master II	May 1, 2007	11,656
Icahn Master II	May 2, 2007	19,693
Icahn Master II	May 3, 2007	18,876
Icahn Master II	May 4, 2007	12,584

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Master II	May 7, 2007	12
Icahn Master II	May 8, 2007	4,363
Icahn Master II	May 10, 2007	75,504
Icahn Master II	May 11, 2007	12,584
Icahn Master II	May 14, 2007	31,461
Icahn Master II	May 15, 2007	25,167
Icahn Master II	May 16, 2007	12,585
Icahn Master II	May 17, 2007	18,876
Icahn Master II	May 18, 2007	12,584
Icahn Master II	May 21, 2007	6,292
Icahn Master II	May 22, 2007	10,790
Icahn Master II	May 24, 2007	66,766
Icahn Master II	May 25, 2007	35,422
Icahn Master II	May 29, 2007	27,131
Icahn Master II	August 24, 2007	583,382 *
Icahn Master II	August 24, 2007	566,437 **
Icahn Master II	September 6, 2007	(132,473)
Icahn Master II	September 7, 2007	(37,752)
Icahn Master II	September 10, 2007	(1,250)
Icahn Master II	September 25, 2007	(64,548)
Icahn Master II	September 26, 2007	(36,077)
Icahn Master II	October 16, 2007	(62,115)
Icahn Master II	October 16, 2007	(55,546)
Icahn Master II	December 13, 2007	277,956
Icahn Master II	December 13, 2007	45,129
Icahn Master II	December 18, 2007	(18,055)
Icahn Master II	December 18, 2007	(45,129)
Icahn Master II	December 19, 2007	(85,243)
Icahn Master II	December 20, 2007	(88,947)
Icahn Master II	December 21, 2007	(68,933)
Icahn Master II	December 24, 2007	(16,778)

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Master II	December 24, 2007	(27,131)
Icahn Master II	December 24, 2007	(22,801)
Icahn Master II	January 24, 2008	7,764
Icahn Master II	January 25, 2008	214,839
ICAHN MASTER III		
Icahn Master III	April 27, 2007	7,504
Icahn Master III	April 30, 2007	6,255
Icahn Master III	May 1, 2007	4,083
Icahn Master III	May 2, 2007	7,528
Icahn Master III	May 3, 2007	7,221
Icahn Master III	May 4, 2007	4,811
Icahn Master III	May 7, 2007	4
Icahn Master III	May 8, 2007	1,668
Icahn Master III	May 10, 2007	28,863
Icahn Master III	May 11, 2007	4,811
Icahn Master III	May 14, 2007	12,025
Icahn Master III	May 15, 2007	9,621
Icahn Master III	May 16, 2007	4,809
Icahn Master III	May 17, 2007	7,217
Icahn Master III	May 18, 2007	4,809
Icahn Master III	May 21, 2007	2,406
Icahn Master III	May 22, 2007	4,125
Icahn Master III	May 24, 2007	25,397
Icahn Master III	May 25, 2007	13,529
Icahn Master III	May 29, 2007	10,362
Icahn Master III	August 24, 2007	219,750 *
Icahn Master III	August 24, 2007	213,810 **
Icahn Master III	September 6, 2007	(50,222)
Icahn Master III	September 7, 2007	(14,283)
Icahn Master III	September 10, 2007	(473)
Icahn Master III	September 25, 2007	(24,577)

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Master III	September 26, 2007	(13,647)
Icahn Master III	October 16, 2007	(23,257)
Icahn Master III	October 16, 2007	(21,021)
Icahn Master III	December 13, 2007	105,167
Icahn Master III	December 13, 2007	17,002
Icahn Master III	December 18, 2007	(6,904)
Icahn Master III	December 18, 2007	(17,002)
Icahn Master III	December 19, 2007	(32,252)
Icahn Master III	December 20, 2007	(33,653)
Icahn Master III	December 21, 2007	(26,081)
Icahn Master III	December 24, 2007	(6,277)
Icahn Master III	December 24, 2007	(10,362)
Icahn Master III	December 24, 2007	(8,601)
Icahn Master III	January 24, 2008	3,745
Icahn Master III	January 25, 2008	81,435

(4) Sales of Shares in this column are indicated by the use of a parenthetical.

* These amounts consist of Shares obtained by the respective Icahn Party as a result of an exercise by such party of its call options written by Merrill Lynch International, which had a strike price of \$35.50 and an expiration date of November 26, 2008 (which options were purchased by the Icahn Parties as described on Attachment 1 to this Annex A), and the dates set forth in the table above with respect to such Shares are the dates on which such options were exercised.

** These amounts consist of Shares obtained by the respective Icahn Party as a result of an exercise by such party of its call options written by UBS AG, which had a strike price of \$31.50 and an expiration date of November 26, 2008 (which options were purchased by the Icahn Parties as described on Attachment 1 to this Annex A), and the dates set forth in the table above with respect to such Shares are the dates on which such options were exercised.

Part of the purchase price of Shares purchased by High River was obtained through margin borrowing. Shares purchased by High River are maintained in a margin account that includes positions in securities in addition to the Shares. The indebtedness of the margin account as of April 30, 2008 was approximately \$1.16 billion.

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

ATTACHMENT 1 TO ANNEX A

Call options purchased by the Icahn Parties, which were written by UBS AG and have a \$31.50 strike price, expiration date of November 26, 2008, and are further described in the chart set forth below. On August 24, 2007, the Icahn Parties exercised all of the call options described in the chart below and thereby acquired the Shares covered by such options.

NAME	DATE	NUMBER OF SHARES SUBJECT TO OPTION	OPTION PREMIUM (\$)
----- HIGH RIVER -----			
High River	May 29, 2007	50,000	872,885.00
High River	May 31, 2007	85,760	1,772,050.30
High River	June 1, 2007	74,000	1,532,014.60
High River	June 4, 2007	40,000	822,144.00
High River	June 8, 2007	81,151	1,619,295.17
High River	June 11, 2007	20,000	399,928.00
High River	June 12, 2007	27,765	543,258.32
High River	June 13, 2007	54,976	1,088,150.96
High River	June 14, 2007	40,000	796,540.00
High River	June 27, 2007	43,600	936,092.00
High River	June 28, 2007	100,000	2,203,950.00
High River	June 29, 2007	100,000	2,203,370.00
High River	July 2, 2007	53,100	1,164,259.98
High River	July 9, 2007	25,400	587,283.56
High River	July 10, 2007	11,200	258,709.92
High River	July 16, 2007	50,000	1,197,000.00
High River	July 17, 2007	87,000	2,058,367.80
----- ICAHN PARTNERS -----			
Icahn Partners	May 29, 2007	63,614	1,110,554.13
Icahn Partners	May 31, 2007	109,109	2,254,508.36
Icahn Partners	June 1, 2007	97,229	2,012,922.26
Icahn Partners	June 4, 2007	50,954	1,047,288.13
Icahn Partners	June 8, 2007	103,652	2,068,282.37

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Partners	June 11, 2007	25,514	510,188.15
Icahn Partners	June 12, 2007	35,420	693,038.35
Icahn Partners	June 13, 2007	70,134	1,388,176.29
Icahn Partners	June 14, 2007	51,030	1,016,185.91
Icahn Partners	June 27, 2007	55,631	1,194,397.57
Icahn Partners	June 28, 2007	127,574	2,811,667.17
Icahn Partners	June 29, 2007	127,574	2,810,927.24
Icahn Partners	July 2, 2007	64,783	1,420,419.10
Icahn Partners	July 9, 2007	46,401	1,072,856.08
Icahn Partners	July 10, 2007	14,370	331,934.07
Icahn Partners	July 16, 2007	64,157	1,535,918.58
Icahn Partners	July 17, 2007	111,634	2,641,193.46

ICAHN MASTER

Icahn Master	May 29, 2007	92,903	1,621,872.70
Icahn Master	May 31, 2007	159,347	3,292,571.13
Icahn Master	June 1, 2007	152,205	3,151,084.89
Icahn Master	June 4, 2007	75,113	1,543,842.56
Icahn Master	June 8, 2007	152,235	3,037,712.41
Icahn Master	June 11, 2007	37,492	749,705.03
Icahn Master	June 12, 2007	52,047	1,018,367.22
Icahn Master	June 13, 2007	103,056	2,039,808.02
Icahn Master	June 14, 2007	74,984	1,493,193.88
Icahn Master	June 27, 2007	81,792	1,756,074.24
Icahn Master	June 28, 2007	187,463	4,131,590.79
Icahn Master	June 29, 2007	187,464	4,130,525.54
Icahn Master	July 2, 2007	110,439	2,421,463.43
Icahn Master	July 9, 2007	32,806	758,520.65
Icahn Master	July 10, 2007	20,966	484,295.73
Icahn Master	July 16, 2007	93,601	2,240,807.94
Icahn Master	July 17, 2007	162,864	3,853,264.52

ICAHN MASTER II

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Master II	May 29, 2007	31,465	549,306.53
Icahn Master II	May 31, 2007	53,972	1,115,218.04
Icahn Master II	June 1, 2007	34,144	706,879.82
Icahn Master II	June 4, 2007	24,577	505,145.83
Icahn Master II	June 8, 2007	49,762	992,955.92
Icahn Master II	June 11, 2007	12,308	246,115.69
Icahn Master II	June 12, 2007	17,085	334,290.24
Icahn Master II	June 13, 2007	33,830	669,603.96
Icahn Master II	June 14, 2007	24,614	490,150.89
Icahn Master II	June 27, 2007	26,772	574,794.84
Icahn Master II	June 28, 2007	61,531	1,356,112.47
Icahn Master II	June 29, 2007	61,530	1,355,733.56
Icahn Master II	July 2, 2007	27,772	608,923.32
Icahn Master II	July 9, 2007	16,307	377,040.67
Icahn Master II	July 10, 2007	6,860	158,459.83
Icahn Master II	July 16, 2007	30,623	733,114.62
Icahn Master II	July 17, 2007	53,285	1,260,691.13
ICAHN MASTER III			
Icahn Master III	May 29, 2007	12,018	209,806.64
Icahn Master III	May 31, 2007	20,612	425,903.69
Icahn Master III	June 1, 2007	12,422	257,171.42
Icahn Master III	June 4, 2007	9,356	192,299.48
Icahn Master III	June 8, 2007	18,953	378,190.06
Icahn Master III	June 11, 2007	4,686	93,703.13
Icahn Master III	June 12, 2007	6,507	127,317.91
Icahn Master III	June 13, 2007	12,883	254,995.80
Icahn Master III	June 14, 2007	9,372	186,629.32
Icahn Master III	June 27, 2007	10,205	219,101.35
Icahn Master III	June 28, 2007	23,432	516,429.56
Icahn Master III	June 29, 2007	23,432	516,293.66
Icahn Master III	July 2, 2007	9,406	206,234.07

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Master III	July 9, 2007	6,086	140,716.84
Icahn Master III	July 10, 2007	2,604	60,150.06
Icahn Master III	July 16, 2007	11,619	278,158.86
Icahn Master III	July 17, 2007	20,217	478,322.09

Call options purchased by the Icahn Parties, which were written by Merrill Lynch International and have a \$35.50 strike price, expiration date of November 26, 2008, and are further described in the chart set forth below. On August 24, 2007, the Icahn Parties exercised all of the call options described in the chart below and thereby acquired the Shares covered by such options.

NAME	DATE	NUMBER OF SHARES SUBJECT TO OPTION	OPTION PREMIUM (\$)
HIGH RIVER			
High River	July 10, 2007	102,929	1,965,665.99
High River	July 11, 2007	30,536	582,388.70
High River	July 12, 2007	57,192	1,100,545.66
High River	July 18, 2007	200,000	3,795,760.00
High River	July 19, 2007	159,233	3,082,320.95
High River	July 20, 2007	71,580	1,377,929.32
High River	July 23, 2007	120,000	2,290,056.00
High River	July 31, 2007	94,969	1,978,356.22
High River	August 1, 2007	105,031	2,213,633.36
ICAHN PARTNERS			
Icahn Partners	July 10, 2007	132,074	2,522,256.80
Icahn Partners	July 11, 2007	39,181	747,267.87
Icahn Partners	July 12, 2007	73,385	1,412,147.56
Icahn Partners	July 18, 2007	256,627	4,870,472.51
Icahn Partners	July 19, 2007	204,318	3,955,044.82
Icahn Partners	July 20, 2007	91,847	1,768,073.12
Icahn Partners	July 23, 2007	153,977	2,938,466.27
Icahn Partners	July 31, 2007	121,987	2,541,184.39

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Partners	August 1, 2007	141,380	2,979,724.88
ICAHN MASTER			
Icahn Master	July 10, 2007	192,685	3,679,763.25
Icahn Master	July 11, 2007	57,163	1,090,224.17
Icahn Master	July 12, 2007	107,064	2,060,232.55
Icahn Master	July 18, 2007	374,402	7,105,700.68
Icahn Master	July 19, 2007	298,086	5,770,140.13
Icahn Master	July 20, 2007	133,999	2,579,507.55
Icahn Master	July 23, 2007	224,640	4,286,984.83
Icahn Master	July 31, 2007	177,800	3,703,858.48
Icahn Master	August 1, 2007	182,136	3,838,698.34
ICAHN MASTER II			
Icahn Master II	July 10, 2007	63,042	1,203,931.99
Icahn Master II	July 11, 2007	18,702	356,688.28
Icahn Master II	July 12, 2007	35,029	674,063.05
Icahn Master II	July 18, 2007	122,495	2,324,808.11
Icahn Master II	July 19, 2007	97,526	1,887,840.04
Icahn Master II	July 20, 2007	43,842	843,967.27
Icahn Master II	July 23, 2007	73,498	1,402,621.13
Icahn Master II	July 31, 2007	58,078	1,209,857.66
Icahn Master II	August 1, 2007	71,170	1,499,978.92
ICAHN MASTER III			
Icahn Master III	July 10, 2007	23,917	456,750.12
Icahn Master III	July 11, 2007	7,097	135,355.40
Icahn Master III	July 12, 2007	13,290	255,739.47
Icahn Master III	July 18, 2007	46,476	882,058.71
Icahn Master III	July 19, 2007	37,004	716,297.53
Icahn Master III	July 20, 2007	16,632	320,169.33
Icahn Master III	July 23, 2007	27,885	532,151.76
Icahn Master III	July 31, 2007	22,013	458,566.01
Icahn Master III	August 1, 2007	25,436	536,089.14

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

ATTACHMENT 2 TO ANNEX A

Put options purchased by the Icahn Parties, which were written by UBS AG and had a \$31.50 strike price, expiration date of November 26, 2008, and provided for cash settlement only and for exercise only at expiration are further described in the chart set forth below. All of the put options described below terminated on August 24, 2007.

NAME	DATE	NUMBER OF SHARES SUBJECT TO OPTION	OPTION PREMIUM (\$)
HIGH RIVER			
High River	May 29, 2007	50,000	500.00
High River	May 31, 2007	85,760	857.60
High River	June 1, 2007	74,000	740.00
High River	June 4, 2007	40,000	400.00
High River	June 8, 2007	81,151	811.51
High River	June 11, 2007	20,000	200.00
High River	June 12, 2007	27,765	277.65
High River	June 13, 2007	54,976	549.76
High River	June 14, 2007	40,000	400.00
High River	June 27, 2007	43,600	436.00
High River	June 28, 2007	100,000	1,000.00
High River	June 29, 2007	100,000	1,000.00
High River	July 2, 2007	53,100	531.00
High River	July 9, 2007	25,400	254.00
High River	July 10, 2007	11,200	112.00
High River	July 16, 2007	50,000	500.00
High River	July 17, 2007	87,000	870.00
ICAHN PARTNERS			
Icahn Partners	May 29, 2007	63,614	636.14
Icahn Partners	May 31, 2007	109,109	1,091.09
Icahn Partners	June 1, 2007	97,229	972.29

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Partners	June 4, 2007	50,954	509.54
Icahn Partners	June 8, 2007	103,652	1,036.52
Icahn Partners	June 11, 2007	25,514	255.14
Icahn Partners	June 12, 2007	35,420	354.20
Icahn Partners	June 13, 2007	70,134	701.34
Icahn Partners	June 14, 2007	51,030	510.30
Icahn Partners	June 27, 2007	55,631	556.31
Icahn Partners	June 28, 2007	127,574	1,275.74
Icahn Partners	June 29, 2007	127,574	1,275.74
Icahn Partners	July 2, 2007	64,783	647.83
Icahn Partners	July 9, 2007	46,401	464.01
Icahn Partners	July 10, 2007	14,370	143.70
Icahn Partners	July 16, 2007	64,157	641.57
Icahn Partners	July 17, 2007	111,634	1,116.34
ICAHN MASTER			
Icahn Master	May 29, 2007	92,903	929.03
Icahn Master	May 31, 2007	159,347	1,593.47
Icahn Master	June 1, 2007	152,205	1,522.05
Icahn Master	June 4, 2007	75,113	751.13
Icahn Master	June 8, 2007	152,235	1,522.35
Icahn Master	June 11, 2007	37,492	374.92
Icahn Master	June 12, 2007	52,047	520.47
Icahn Master	June 13, 2007	103,056	1,030.56
Icahn Master	June 14, 2007	74,984	749.84
Icahn Master	June 27, 2007	81,792	817.92
Icahn Master	June 28, 2007	187,463	1,874.63
Icahn Master	June 29, 2007	187,464	1,874.64
Icahn Master	July 2, 2007	110,439	1,104.39
Icahn Master	July 9, 2007	32,806	328.06
Icahn Master	July 10, 2007	20,966	209.66
Icahn Master	July 16, 2007	93,601	936.01

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Master	July 17, 2007	162,864	1,628.64

ICAHN MASTER II			
Icahn Master II	May 29, 2007	31,465	314.65
Icahn Master II	May 31, 2007	53,972	539.72
Icahn Master II	June 1, 2007	34,144	341.44
Icahn Master II	June 4, 2007	24,577	245.77
Icahn Master II	June 8, 2007	49,762	497.62
Icahn Master II	June 11, 2007	12,308	123.08
Icahn Master II	June 12, 2007	17,085	170.85
Icahn Master II	June 13, 2007	33,830	338.30
Icahn Master II	June 14, 2007	24,614	246.14
Icahn Master II	June 27, 2007	26,772	267.72
Icahn Master II	June 28, 2007	61,531	615.31
Icahn Master II	June 29, 2007	61,530	615.30
Icahn Master II	July 2, 2007	27,772	277.72
Icahn Master II	July 9, 2007	16,307	163.07
Icahn Master II	July 10, 2007	6,860	68.60
Icahn Master II	July 16, 2007	30,623	306.23
Icahn Master II	July 17, 2007	53,285	532.85

ICAHN MASTER III			
Icahn Master III	May 29, 2007	12,018	120.18
Icahn Master III	May 31, 2007	20,612	206.12
Icahn Master III	June 1, 2007	12,422	124.22
Icahn Master III	June 4, 2007	9,356	93.56
Icahn Master III	June 8, 2007	18,953	189.53
Icahn Master III	June 11, 2007	4,686	46.86
Icahn Master III	June 12, 2007	6,507	65.07
Icahn Master III	June 13, 2007	12,883	128.83
Icahn Master III	June 14, 2007	9,372	93.72
Icahn Master III	June 27, 2007	10,205	102.05
Icahn Master III	June 28, 2007	23,432	234.32

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Icahn Master III	June 29, 2007	23,432	234.32
Icahn Master III	July 2, 2007	9,406	94.06
Icahn Master III	July 9, 2007	6,086	60.86
Icahn Master III	July 10, 2007	2,604	26.04
Icahn Master III	July 16, 2007	11,619	116.19
Icahn Master III	July 17, 2007	20,217	202.17

Put options purchased by the Icahn Parties, which were written by Merrill Lynch International and had a \$35.50 strike price, expiration date of November 26, 2008, and provided for cash settlement only and for exercise only at expirationrter, the Audit a

reviews the scope of the audit by the independent auditors;

inquires into the effectiveness of our accounting and internal control functions;

recommends to the board of directors any changes in the appointment of independent auditors that the committee may deem to be in the best interests of the company and its stockholders;

assists the board of directors in establishing and monitoring compliance with the ethical business practice standards of the company; and

has a finance oversight role, including the periodic evaluation of our finance function, capital structure and debt and equity policies and programs.

Our independent auditors and our internal financial personnel have regular private meetings and unrestricted access with this committee.

The report of the committee begins on page 49.

Table of Contents

Organization, Compensation and Corporate Governance Committee

The Organization, Compensation and Corporate Governance Committee is composed solely of directors who are independent of management. The current members are Messrs. Mussallem, Chavez and Rollans. Dr. Link is the designated alternate. Each member and the alternate meets the independence criteria for NYSE nominating and compensation committee members in our board of directors' business judgment. This committee met four times in 2006. As set forth in the written Charter of the Organization, Compensation and Corporate Governance Committee, the committee:

determines the compensation of executive officers and outside directors;

exercises authority of the board of directors concerning employee benefit plans;

advises the board of directors on other compensation and employee benefit matters;

makes recommendations to the board of directors regarding candidates for election as directors of the company; and

advises the board of directors on board committee structure and membership and corporate governance matters.

The Charter of the Organization, Compensation and Corporate Governance Committee has been published in the Investors' section on our Internet site at www.amo-inc.com. A copy will be provided without charge to any stockholder who requests it.

The Organization, Compensation and Corporate Governance Committee, which performs the functions of a standing nominating committee, will consider director candidates proposed by stockholders. The board may engage a third party recruiter to identify nominees. The function of the recruiter is to identify and screen nominees who meet AMO's needs. Candidates, whether proposed by management or stockholders, are selected for their character, judgment, business experience and acumen, and scientific expertise and familiarity with issues affecting AMO are also relevant. To be considered by the committee for the 2008 annual meeting, stockholder submissions must be received at the offices of the company to the attention of the Secretary, Advanced Medical Optics, Inc., 1700 E. St. Andrew Place, Santa Ana, California 92705, between January 25, 2008 and February 24, 2008. When the board seeks new members, the committee reviews the suitability of board candidates, including any recommended by a stockholder, by first screening resumes, and, if there is interest, conducting substantially the following process: (a) set up preliminary interviews, possibly with the aid of an outside recruiting firm, and, if there is continued interest, (b) set up additional interviews with the committee Chair, the Chairman of the Board, the Chief Executive Officer and/or such other persons as may be helpful to the process, and, if there is continued interest, (c) recommend the board candidate to the full board.

Compensation Committee Processes and Procedures. The Organization, Compensation and Corporate Governance Committee, or the board of directors acting as a whole, retains the sole authority to determine the compensation of executive officers and directors. This authority is not delegated to AMO's management in any way. The committee approves each element, and any changes to, the compensation of our executive officers and directors.

The committee generally considers salary adjustments for executive officers annually. Our chief executive officer and corporate vice president of human resources make recommendations to the committee, which then meets independently with the compensation consultant selected by the committee. Our compensation committee retains the authority to engage compensation consultants. Currently, our compensation consultant is Ernst & Young. We selected Ernst & Young through a rigorous process involving proposals from, and interviews with, several firms, presentations to the compensation committee, and a committee selection meeting. The nature and scope of the consultant's assignments vary at the request of the committee but generally include the annual evaluation of all elements of director and executive compensation. For efficiency, the committee has also approved our management's use of the consultant's services in providing survey information and tax advice for programs related to non-executive positions. The consultant provides the committee with an analysis of

Table of Contents

competitive data for executives in similar positions at comparator companies. The committee establishes this list of comparator companies, with the assistance of their consultant, and reviews its applicability on an ongoing basis.

The committee sets the performance objectives for the management incentive program early in the year and then measures performance against those objectives in the first quarter of the following year. Based on the performance assessment, the committee decides the extent of the program funding, and then makes individual awards to the executive officers based on considerations of business unit or function performance, as well as individual performance against pre-established performance objectives and milestones.

The committee considers grants of stock incentives to executives annually at the time of our annual meeting of stockholders. Historically, the compensation committee has made grants on an annual basis but is not bound to do so if, in the judgment of the committee, grants are not warranted or additional grants during the year are deemed prudent. The committee has not altered the date of this grant, and we do not time the disclosure of corporate information around the date of this grant. The grant date of these awards is coincident with the date of the committee's meeting (or full board meeting if full board approval is sought). In February 2006 the committee also granted performance awards to our executives. The timing of performance-based awards, including stock-based performance awards, is generally at the committee's first regular meeting of the year, in order to set the performance targets early in the performance period and within the requirements of Section 162(m) of the Internal Revenue Code. Again, we do not time the disclosure of corporate information around the date of this grant, and the grant date is coincident with the meeting date.

The report of the committee begins on page 34.

Science and Technology Committee

Our Science and Technology Committee is composed of Dr. Link, Messrs. Chavez, Mazzo and Mussallem, Ms. Dávila and Ms. Neff. The functions of this committee include reviewing our:

research and development programs,

projects to evaluate investment allocations, and

portfolio of strategic patents and major technology-based transactions.

This committee met four times in 2006. The full text of its Charter has been published in the Investors section on our Internet site at www.amo-inc.com. A copy will be provided without charge to any stockholder upon request.

Employee Incentive Committee

Our Employee Incentive Committee is composed of Mr. Mazzo (the Chairman of the Board) and Mr. Mussallem (the Chairman of the Organization, Compensation and Corporate Governance Committee). The function of this committee is to review and approve equity incentive awards to employees who are not our executive officers in limited circumstances where it is prudent to approve a grant between regular meetings of the Organization, Compensation and Corporate Governance Committee. The committee's authority is limited to equity incentive awards for new employees who are not executive officers and for grants to current employees who are not executive officers for retention of key talent. In establishing this committee, the board of directors has defined the terms of the incentive awards and has limited the number of awards that can be made. The Employee Incentive Committee determines who gets an award, the amount of the award, and whether the award is made in stock options, restricted stock or restricted stock units, all within the pre-established limits set by our board of directors.

This committee did not meet in 2006. The full text of its Charter has been published in the Investors section on our Internet site at www.amo-inc.com. A copy will be provided without charge to any stockholder upon request.

Table of Contents**INDEPENDENT PUBLIC ACCOUNTANTS****(Ratification of Appointment of Independent Registered Public Accountants)****(Proposal 2)**

The Audit and Finance Committee, composed of independent members of the Board of Directors, is responsible for the appointment, compensation, retention and oversight of the work of our independent auditor. The Audit and Finance Committee has selected PricewaterhouseCoopers LLP, independent registered public accountants, as our independent auditor for the year 2007. In selecting PricewaterhouseCoopers LLP as our independent auditor for 2007, the Audit and Finance Committee considered whether PricewaterhouseCoopers LLP's provision of services other than audit services is compatible with maintaining independence as our independent auditor. PricewaterhouseCoopers LLP audited our consolidated financial statements for the fiscal year ended December 31, 2006 and our internal control over financial reporting as of December 31, 2006. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

Although ratification by stockholders is not a prerequisite to the ability of the Audit and Finance Committee to select PricewaterhouseCoopers LLP as the company's independent registered public accountants, we believe such ratification to be desirable. If the stockholders do not ratify the selection of PricewaterhouseCoopers LLP, the selection of independent auditor will be reconsidered by the Audit and Finance Committee; however, the Audit and Finance Committee may select PricewaterhouseCoopers LLP, notwithstanding the failure of the stockholders to ratify its selection. The Audit and Finance Committee believes ratification is advisable and in the best interests of the stockholders. If the appointment of PricewaterhouseCoopers LLP is ratified, the Audit and Finance Committee will continue to conduct an ongoing review of PricewaterhouseCoopers LLP's scope of engagement, pricing and work quality, among other factors, and will retain the right to replace PricewaterhouseCoopers LLP at any time.

The following proposal will be presented at the Annual Meeting:

Action by the Audit and Finance Committee appointing PricewaterhouseCoopers LLP as the Advanced Medical Optics, Inc. independent registered public accountants to conduct the annual audit of the consolidated financial statements of Advanced Medical Optics, Inc. and its subsidiaries for the fiscal year ending December 31, 2007 and an audit of our internal control over financial reporting as of December 31, 2007 is hereby ratified, confirmed and approved.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2007.

Independent Auditor Fees

Aggregate fees billed to Advanced Medical Optics, Inc. for the fiscal years ended December 31, 2006 and December 31, 2005, by our independent registered public accounting firm are as follows:

Type of Fees	2006	2005
Audit Fees ⁽¹⁾	\$ 3,071,600	\$ 2,496,300
Audit-Related Fees ⁽²⁾	241,400	35,000
Tax Fees ⁽³⁾	1,272,800	1,203,000
All Other Fees ⁽⁴⁾	3,000	6,000
Total	4,588,800	\$ 3,740,300

⁽¹⁾ Represents the aggregate fees billed to us by PricewaterhouseCoopers LLP for professional services rendered to us and our subsidiaries for the audit of our annual consolidated financial statements and for the

Table of Contents

reviews of the condensed consolidated financial statements included in our Form 10-Q filings for each fiscal quarter, for the audit of our internal control over financial reporting, for audits of our international operations, preparation of comfort letters, review of registration statements and consents.

- (2) Represents the aggregate fees billed to us by PricewaterhouseCoopers LLP for assurance and related services that are reasonably related to the performance of the audit and review of our and our subsidiaries' financial statements that are not already reported in Audit Fees. Amounts in 2006 and 2005 include employee benefit plan audits.
- (3) Represents the aggregate fees billed to us by PricewaterhouseCoopers LLP for permissible tax services rendered to us and our subsidiaries for tax planning and advice and review of tax returns.
- (4) Aggregate fees billed for all other services rendered to AMO and its subsidiaries consisted of a subscription fee for an online accounting research tool.

Auditor Independence

The Audit and Finance Committee has considered whether the provision of the above noted services is compatible with maintaining the independent auditor's independence and has determined that the provision of such services has not adversely affected the independent auditor's independence.

Pre-Approval of Services Provided by the Independent Public Accountant

During 2003, the Audit and Finance Committee of our Board of Directors adopted a Pre-Approval Policy. The Audit and Finance Committee reviews and updates the Policy from time to time, most recently in February 2007. The Pre-Approval Policy requires that all audit and non-audit services performed by our independent auditor be pre-approved by the committee in order to assure that the provision of such services does not impair the auditor's independence. The policy also prohibits the independent auditor from providing certain other services. We may not engage our independent auditor to render any audit or non-audit service unless the service is approved in advance by the Audit and Finance Committee or the engagement to render the service is entered into pursuant to the policy. At least once per year the committee will consider and pre-approve services that are expected to be provided to AMO by the independent auditor during the fiscal year. At the time such pre-approval is granted, the Audit and Finance Committee specifies the pre-approved services and establishes a monetary limit with respect to each particular pre-approved service, which limit may not be exceeded without obtaining further pre-approval under the policy. For any pre-approval, the Audit and Finance Committee considers whether such services are consistent with the rules of the Securities and Exchange Commission on auditor independence. Management periodically updates the Audit and Finance Committee on the services performed by and fees paid to the independent auditor during the current fiscal year and previous quarter. The Audit and Finance Committee may delegate pre-approval authority to one or more of its members, but such authority is not delegated to management. A committee member or members to whom such authority is delegated reports any pre-approval decisions to the committee at its next scheduled meeting. All of the audit, audit-related, tax and other services provided by PricewaterhouseCoopers LLP in 2006 and 2005 described above were pre-approved by the Audit and Finance Committee in accordance with its Pre-Approval Policy.

Table of Contents**OWNERSHIP OF OUR STOCK****Beneficial Owners of More than 5% of the Company's Common Stock**

The following table sets forth information with respect to the beneficial ownership of our outstanding common stock by each person who is known by us to be the beneficial owner of 5% or more of our common stock:

Name and Address of Beneficial Owner	Shares of	
	Common Stock Beneficially Owned ⁽¹⁾	Percent of Class
FMR Corp. 82 Devonshire Street Boston, Massachusetts 02109	8,851,112 ⁽²⁾	14.82%
Massachusetts Financial Services Company 500 Boylston Street Boston, Massachusetts 02116	7,892,820 ⁽³⁾	13.22%
Capital Research and Management Company 333 South Hope Street Los Angeles, California 90071	4,313,200 ⁽⁴⁾	7.22%

- ⁽¹⁾ Beneficial ownership is calculated based on 59,725,129 shares of our common stock outstanding as of February 28, 2007 (excluding treasury shares). Beneficial ownership is determined in accordance with Securities and Exchange Commission rules.
- ⁽²⁾ The amount shown and the following information was provided by FMR Corp. in a Schedule 13G filed with the Securities and Exchange Commission on February 14, 2007, indicating ownership as of December 31, 2006. The Schedule 13G was filed by FMR Corp. as a parent holding company on behalf of itself and certain affiliates, including its subsidiaries Fidelity Management and Research Company (Fidelity), Strategic Advisers, Inc., and Pyramid Global Advisors Trust Company (PGATC), and Edward C. Johnson 3d (Chairman of FMR) and other members of the Johnson family. Each of Fidelity, FMR Corp. and Mr. Johnson is deemed to have sole dispositive power over 8,807,853 shares; Strategic Advisers, Inc. is deemed to be the beneficial owner of 659 shares and PGATC is deemed to be the beneficial owner of 42,600 shares.
- ⁽³⁾ The amount shown and the following information was provided by Massachusetts Financial Services Company (MFS) in an amended Schedule 13G filed with the Securities and Exchange Commission on February 8, 2007, indicating ownership as of December 31, 2006. The amended Schedule 13G was filed by MFS, an investment adviser, on behalf of itself as well as certain other non-reporting entities. According to the amended Schedule 13G, MFS has sole dispositive power over 7,892,820 shares of our common stock and sole voting power over 7,815,860 of such shares.
- ⁽⁴⁾ The amount shown and the following information was provided by Capital Research and Management Company in a Schedule 13G filed with the Securities and Exchange Commission on February 12, 2007, indicating ownership as of December 31, 2006. In its Schedule 13G, Capital Research and Management Company reports that it is deemed to be the beneficial owner of 4,313,200 shares of our common stock as a result of acting as investment adviser to various investment companies, but disclaims beneficial ownership of such shares.

Security Ownership of Directors and Executive Officers

Presented below is information concerning the amount of company stock beneficially owned by:

each director and director nominee,

Table of Contents

each named executive officer, and

all directors and executive officers of the company as a group.

All numbers stated are as of February 28, 2007, and include beneficial ownership of shares of common stock. Except as otherwise indicated, sole voting and investment power exists with respect to all shares listed as beneficially owned. With the exception of Mr. Mazzo, no individual named below beneficially owns more than 1% of the company's outstanding voting stock. The shares beneficially owned by all directors and executive officers as a group constitute 4.73% of the company's outstanding voting stock, based upon 59,725,129 shares outstanding (excluding 1,397 shares held in treasury) as of February 28, 2007. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are exercisable within 60 days of February 28, 2007 are deemed outstanding. Such shares, however, are not deemed outstanding for the purpose of computing the percentage of each other person. Based on these assumptions, Mr. Mazzo is deemed to be the beneficial owner of 1.17% of our outstanding voting stock.

Name of Beneficial Owner ⁽¹⁾	Shares of Common Stock Beneficially Owned ⁽²⁾	Rights to Acquire Beneficial Ownership ⁽³⁾	Total
Christopher G. Chavez	11,861	36,000	47,861
Elizabeth H. Dávila	24,992	461,918	486,910
William R. Grant	26,881	0	26,881
William J. Link, Ph.D.	10,045	9,500	19,545
James V. Mazzo ⁽⁴⁾	107,207	598,182	705,389
Michael A. Mussallem	12,608	36,000	48,608
Deborah J. Neff	8,933	29,500	38,433
James O. Rollans	13,227	36,000	49,227
Richard A. Meier	55,163	210,000	265,163
Holger Heidrich, Ph.D.	14,559	362,427	376,986
C. Russell Trenary, III	4,215	127,500	131,715
Jane E. Rady	2,667	136,250	138,917
All current directors and executive officers (19 persons, including those named above)	328,234	2,620,583	2,948,817

⁽¹⁾ The business address of each stockholder is c/o Advanced Medical Optics, Inc., 1700 E. St. Andrew Place, Santa Ana, California 92705.

⁽²⁾ In addition to shares held in the individual's sole name, this column also includes shares held in various trusts and, for employees, includes shares held in trust for the benefit of the named employee in the Advanced Medical Optics, Inc. 401(k) Plan as of February 28, 2007.

⁽³⁾ Shares which the party or group has the right to acquire within 60 days after February 28, 2007 upon the exercise of stock options granted under the Advanced Medical Optics, Inc. 2002 and 2005 Incentive Compensation Plans, and under assumed VISX stock plans in the case of Ms. Dávila.

⁽⁴⁾ Includes 16 shares held in trust for a child of Mr. Mazzo's.

Section 16(a) Beneficial Ownership Reporting Compliance

The company's directors and executive officers are required to file reports with the Securities and Exchange Commission concerning their ownership of company stock. Based on the company's review of such reports, all officer and director reports were filed on a timely basis and there are no known failures to file by directors and executive officers during 2006.

Table of Contents**EXECUTIVE OFFICERS**

Set forth below are the names and ages of each of our executive officers, their positions with the company, and summaries of their backgrounds and business experience. (For information on the business experience of Mr. Mazzo, the Company's Chairman, President and Chief Executive Officer, see Directors Continuing in Office Term Expiring 2008 on page 4 above.)

Sheree L. Aronson, 51, has been our Corporate Vice President, Corporate Communications, Investor Relations and Market Research, since September 2006, and served as our Vice President, Corporate Communications and Investor Relations from August 2003 to September 2006. From August 2002 to July 2003, she was Director of Communications for RSM EquiCo, a division of H&R Block, and from August 1999 to July 2002, she was a Senior Vice President at Fleishman-Hillard, Inc., an international public relations firm. Between 1985 and 1999, she held senior-level corporate communications and investor relations positions at several companies, including Apria Healthcare, Inc., MTI Technology Corporation, Foodmaker, Inc. and HomeFed Bank.

Leonard R. Borrmann, Pharm.D., 49, has been our Executive Vice President, Research and Development, since February 2007, was Corporate Vice President, Research and Development, from September 2006 to February 2007, was Senior Vice President, Research and Development, from July 2005 to September 2006, and was our Vice President, Surgical Research and Business Development, from March 2004 to June 2005. From August 2002 to February 2004, Dr. Borrmann was President, Chief Executive Officer and a director of Insert Therapeutics, Inc., a privately-held drug delivery company focused on development of novel drug delivery technologies, and from December 2000 to March 2002, he was President, Chief Executive Officer and a director of Maret Pharmaceuticals, Inc., a privately-held drug development company. From May 1998 to September 2000, Dr. Borrmann was the Chief Executive Officer and a director of ACADIA Pharmaceuticals, Inc., a privately-held neuroscience drug discovery company. From June 1984 to May 1998, Dr. Borrmann was employed by Allergan, Inc. in a number of clinical and business development positions, including Vice President, Business Development, a position he held from June 1992 to May 1998.

Robert F. Gallagher, 48, is our Senior Vice President, Chief Accounting Officer and Controller, a position he assumed in April 2006, and he was our Vice President, Controller from February 2002 to April 2006. Mr. Gallagher has over 18 years of financial management experience in our industry. From 1995 to 2001, he served in a variety of senior financial positions at Bausch & Lomb and its acquired business, Chiron Vision, most recently as Vice President, Finance of Bausch & Lomb's Global Surgical Products business. From 1988 to 1995, Mr. Gallagher was employed by Allergan in various financial management positions of increasing responsibility, including Vice President, Controller for North East Asia and Controller for Puerto Rico operations.

Holger Heidrich, Ph.D., 54, is our Corporate Vice President and President, EAM and International Government Affairs, a position he assumed in February 2007, and was Corporate Vice President and President, EAM Refractive Vision Correction, from November 2006 to February 2007. From July 2005 to November 2006, Dr. Heidrich was our Corporate Vice President and President, Cataract / Implant Business, from December 2003 through July 2005, he served as President of our Europe, Africa, Middle East region, and from our inception through December 2003, he was President of our Europe, Africa, Asia Pacific region. Prior to joining us, Dr. Heidrich served as Senior Vice President and Head of Surgical Business of Allergan in the Europe/Africa/Middle East region from May 1998 to January 2002. From July 1996 to January 2002, Dr. Heidrich also assumed the duties of Head of Central Europe Area and Managing Director of Allergan Germany/Austria. From 1990 to 1996, Dr. Heidrich was Director of the Contact Lens Care Division of Allergan in Central Europe. From 1986 to 1989, Dr. Heidrich served as Division Director, Pharmaceutical & Surgical, at Pharm-Allergan GmbH, an Allergan subsidiary. He joined Allergan in 1985 as Marketing & Sales Director for Germany. Prior to joining Allergan, Dr. Heidrich held sales and marketing positions at Montedison Pharmaceutical and Ciba Geigy, and was Assistant Professor in Economics at the University Freiburg in Germany.

Richard A. Meier, 47, was appointed Chief Operating Officer and Chief Financial Officer in February 2007. He previously served as our Executive Vice President, Operations, President, Eye Care Business, and

Table of Contents

Chief Financial Officer from April 2006 to February 2007. From February 2004 to April 2006, he was our Executive Vice President of Operations and Finance and Chief Financial Officer, and from April 2002 to February 2004, Mr. Meier served as our Corporate Vice President and Chief Financial Officer. Prior to joining us, Mr. Meier was Executive Vice President and Chief Financial Officer of Valeant Pharmaceuticals International. Before joining Valeant Pharmaceuticals, Mr. Meier was a Senior Vice President with the investment banking firm of Schroder & Co. Inc. in New York from 1996 until joining Valeant Pharmaceuticals in 1998. Prior to Mr. Meier's experience at Schroder & Co., he held various financial and banking positions at Salomon Smith Barney, Manufacturers Hanover Corporation, as well as other financial and management positions at other firms.

Francine D. Meza, 50, was appointed Corporate Vice President, Human Resources in September 2006, and from June 2002 to September 2006, she was our Senior Vice President, Human Resources. From 1984 through our spin-off in June 2002, Ms. Meza served in various human resources positions at Allergan and its acquired business, American Medical Optics. Prior to the spin-off, Ms. Meza was the Vice President, Human Resources for worldwide operations at Allergan.

Douglas H. Post, 55, has been our Executive Vice President, and President, Corneal Refractive Group, since February 2007, and from November 2006 to February 2007, he was our Corporate Vice President and President, Corneal Refractive Surgery Group. From July 2005 to November 2006, Mr. Post served as our Corporate Vice President and President, Laser Vision Correction Business. From May 2005 to July 2005, Mr. Post was our Region President of the Americas. Mr. Post joined us following completion of the merger between VISX, Incorporated and Advanced Medical Optics. Mr. Post was President and Chief Operating Officer of VISX, Incorporated from July 2003 to May 2005, Executive Vice President, Operations, from January 2001 to July 2003, and Vice President, Operations and Customer Support from September 1996 to January 2001. He served as Senior Director, Customer Support from December 1992 to September 1996 and was Senior Vice President, Sales and Customer Support with VISX Massachusetts Inc. (formerly Questek, Inc.) from February 1985 to December 1992.

Jane E. Rady, 58, has been our Executive Vice President, Strategy and Corporate Development, since February 2007. From April 2006 to February 2007, she was our Corporate Vice President, Strategic and Corporate Development, and from April 2002 to April 2006, she was our Corporate Vice President, Strategy and Technology. Prior to joining us, Ms. Rady was a director and the Chief Executive Officer of Integrated Genomics, Inc. and was a consultant to Integrated Genomics and several other companies in 2001. From 1984 to 2000, Ms. Rady was employed by G.D. Searle & Co./Monsanto in various capacities including President and General Manager of Searle's international joint venture, Lorex Pharmaceuticals Ltd., Vice President of Corporate Licensing & Business Development, and Vice President of Strategic Planning.

Angelo Rago, 44, has been our Senior Vice President, Global Customer Services, since February 2007, and served as our Vice President, Customer Support, from June 2005 to February 2007. Mr. Rago joined us after a 17 year career with Siemens Medical, where he held a number of senior management positions in both the service and product development areas. From November 2001 to June 2005, Mr. Rago was Vice President of Global Customer Services for the Oncology Care Division of Siemens Medical, and from September 1998 to November 2001, he was Vice President of Worldwide Service for the Nuclear Medicine Division.

C. Russell Trenary, III, 49, was appointed Executive Vice President and President, Cataract Refractive Group, in February 2007. From November 2006 to February 2007, Mr. Trenary was our Corporate Vice President and President, Cataract Refractive Surgery Group, and from February 2004 to November 2006, he was our Corporate Vice President and Chief Marketing Officer. From April 2002 to February 2004, Mr. Trenary served as our Corporate Vice President and President, Americas region. From 1996 to November 2001, Mr. Trenary was the President of Sunrise Technologies International, Inc., and from 1997 to 2001, he held the additional title of Chief Executive Officer. Sunrise filed a Chapter 7 bankruptcy in September 2002, nearly one year after Mr. Trenary's departure. From 1995 to 1996, Mr. Trenary was Senior Vice President, Worldwide Sales and Marketing, of Vidamed, Inc. Mr. Trenary began his career in 1981 with American Hospital Supply

Table of Contents

Corporation, which was acquired by Allergan in 1986 and which was the basis of Allergan's entering the ophthalmic surgical products business. While at Allergan from 1987 to 1995, Mr. Trenary held positions of increasing responsibility in the surgical products business, culminating with the position of Senior Vice President and General Manager of AMO Surgical Products, a position he held from 1991 to 1995.

Aimee S. Weisner, 38, is our Executive Vice President, Administration, General Counsel and Secretary, a position she assumed in February 2007, and from our inception to February 2007, she was our Corporate Vice President, General Counsel and Secretary. Ms. Weisner also serves as our Chief Ethics Officer. Ms. Weisner was Vice President and Assistant General Counsel of Allergan from January 2002 through June 2002, and as an Assistant Secretary of Allergan from November 1998 to April 2002. Prior to January 2002, Ms. Weisner served as Corporate Counsel of Allergan, which she joined in 1998. From 1994 to 1998, Ms. Weisner was an attorney with the law firm of O'Melveny & Myers LLP.

Executive Compensation

Compensation Discussion and Analysis

Our Compensation Philosophy and Objectives

Compensation programs at AMO are designed to promote a high-performance culture that attracts, motivates and retains the key talent necessary to optimize stockholder value in a competitive environment. Compensation at AMO is market-driven and is designed to motivate the behaviors that will enable AMO to execute an aggressive business strategy.

Our compensation program is designed to reward the named executives for meeting or exceeding corporate performance goals and individual objectives, and for maintaining the highest standards of business conduct. Our Organization, Compensation and Corporate Governance Committee (referred to in this discussion as our compensation committee), or the board of directors acting as a whole, determines all elements of pay for executive officers. Our management is involved only to the extent of providing performance information and recommendations.

Our compensation committee has established a peer group of companies considering such factors as size, industry, geography, global spread, product lines and complexity, customers and market capitalization. As AMO's business changes, through acquisition or otherwise, this peer group is reevaluated. The compensation consultant retained by the compensation committee provides information to the compensation committee regarding possible comparator companies and compiles data upon request of the compensation committee. Compensation data is generally regressed for market capitalization to ensure that the data is not distorted by larger companies. In 2006, the group of comparator companies included: Alcon, Inc., Allergan, Inc., Arrow International, Inc., C.R. Bard, Inc., Bausch & Lomb, Inc., Beckman Coulter, Inc., Bio-Rad Laboratories, Inc., BioMet, Inc., The Cooper Companies, Inc., Edwards Lifesciences Corporation, Haemonetics Corporation, Millipore Corporation, Polymedica Corporation, Respironics, Inc., St. Jude Medical, Inc., Stryker Corporation, Sybron Dental Specialties, Inc., Varian Medical Systems, Inc., and Zimmer Holdings, Inc. In the discussion that follows, we refer to this group of companies as our peer group.

In determining the amount and structure of total direct compensation for named executive officers (defined as base salary, short-term management incentives, and stock incentives), the compensation committee first reviews a summary of current and past compensation under these programs. This is then compared to benchmark data, provided by the compensation consultant, as described above. Each element is then reviewed by the compensation committee and adjusted for the coming year, based on input from the compensation consultant and the chief executive officer. Targets for compensation and benefit programs are generally set at the market median (i.e., 50th percentile). Benchmarking of peer group data is just one element considered in setting levels of named executive officer compensation. Corporate performance, individual performance, changes in the executive officer's roles and responsibilities, and employee retention and motivation, among other factors, are also carefully considered. Other elements of the named executive officer compensation and benefits package are

Table of Contents

reviewed by the compensation committee on an annual basis to monitor the competitiveness and cost-effectiveness of the programs.

Elements of the AMO Compensation Program

Set forth below are the elements of compensation for the named executive officers, along with the rationale for why we pay each element, how we determine the amount of each element, and the impact of the accounting and tax treatment of each element, to the extent relevant.

Base Salary. Base salaries are generally targeted at or near the market median. The market is defined as the peer group. It is expected that in return for base salaries the executives should deliver a threshold level of performance. Annual adjustments to base salary are made primarily on the basis of individual performance in the prior year, the responsibilities assumed by the officer, and market data for similar positions at comparator companies in the peer group. The primary purpose of this element of compensation is to maintain a competitive level of base salary compared to the market.

Annual Management Incentive. Annually, the compensation committee reviews management's recommendation regarding funding triggers for the annual incentive plan and approves the funding mechanism for the year. The compensation committee considers the rationale for the funding objectives and their link to the elements of our business strategy that we believe will result in sustained stockholder growth. If funded, the payout of the annual incentive is based on a combination of business unit, function and individual performance as measured by evaluation against established pre-determined objectives. Offering an incentive plan that motivates the behaviors needed to support the accomplishment of the business strategy is the key rationale for the AMO program.

For 2006, the incentive targets for the named executive officers other than the chief executive officer were expressed as a percentage of base salary. Individually, these targets were set based on the nature of the duties of the named executive officer, the appropriate mix of fixed and incentive cash pay for the position, and market data for similar positions at comparator companies in the peer group. The annual incentive program for our chief executive officer, approved by our stockholders, was structured to preserve the tax deductibility of any payment under the program. A target was established by the compensation committee, who could reduce the award below the target amount if the performance criteria for funding were met. The compensation committee determined the exact amount to be paid based on the chief executive officer's performance against pre-established individual and corporate objectives.

For 2007, the annual incentive program for all named executive officers was structured to preserve the tax deductibility of payments under the program. As such, targets have been established and expressed in dollars, which, if funded, the compensation committee may reduce based on performance results against pre-established objectives.

Stock Incentives. We award a combination of stock options, restricted stock and performance awards to our named executive officers. Stock options and restricted stock, along with base salary and short-term management incentives, are targeted at the market median. Performance awards are designed to award additional compensation in the form of restricted stock or restricted stock units if our company performs above the market median in total stockholder return. The amount of additional compensation is tied to AMO total stockholder return performance in excess of that of the peer group. In addition, we offer an employee stock purchase program to all employees of AMO.

The stock option and restricted stock awards are designed to align the interests of the executives with those of the stockholders and to maintain a competitive total compensation program for retention purposes. The performance award is to further align the interests of the executives with those of the stockholders from the perspective that if the stockholders win, the executives receive additional compensation. If the stockholders do not enjoy positive, above median total stockholder returns

compared to the peer group, no additional compensation is earned. All of these programs are designed

Table of Contents

to comply with Section 162(m) of the Internal Revenue Code to the fullest extent possible and have been approved by our stockholders.

Stock Options. We allocate a majority of our stock-based incentives in stock options. We believe that stock options provide the best alignment of the interests of our executives with stockholder interests as compensation is only earned if shareholder value is increased. Our stock options also provide for a retention incentive through a four-year vesting schedule. And, through the implementation of our executive stock ownership guidelines, discussed in more detail below, we encourage our executives to maintain their stock options, or hold shares acquired upon exercise of stock options, on a long-term basis.

Restricted Stock Awards. We also issue restricted stock awards or restricted stock units to named executive officers as an effective means to encourage long-term ownership and long-term performance. These awards expose the executives to downside equity performance risk. These awards also provide an important retention incentive, as they are vested only after continued employment for a period of time, typically three years. We also include restricted shares as an element of stock incentive compensation to control dilution and to responsibly utilize the shares authorized under our incentive compensation plan. Restricted stock awards that are solely time vested may not be tax deductible under Section 162(m) of the Internal Revenue Code.

Performance Awards. The combination of stock options and restricted stock awards, discussed above, is generally designed to provide long-term incentives at the market median for similar executives in the peer group. We grant performance awards that are designed to reward performance up to the 75th percentile, but only if our performance, in terms of total stockholder return, exceeds the market median of total stockholder return of the peer group, and only if that return is positive.

In 2006, the performance award program was designed so that a maximum dollar value was identified for each executive (based on the market data for that executive), and if AMO's total stockholder return exceeded the 50th percentile of the peer group for the years 2005 and 2006, shares of restricted stock (or restricted units) would be issued in early 2007 with a face value equal to the dollar incentive earned between the 50th and 75th percentiles. Those shares or units would then vest three years after the date of issuance.

In 2007, the compensation committee altered the design of this program. In February 2007, the compensation committee granted performance-vested restricted stock units to the named executive officers. The number of units granted to each executive was determined based on the difference between the maximum payout of the award at the 75th percentile long-term incentive benchmark and the market median long-term incentive benchmark. This difference was then divided by the fair market value of the common stock on the date of the grant. These units will vest in 2010 only to the extent that AMO's total stockholder return is positive and exceeds the 50th percentile of the peer group over the calendar years 2007-2009. The amount of units that vest, if any, will be determined on a sliding scale, based on the level of total stockholder performance achieved between the 50th and 75th percentiles.

Employee Stock Purchase Plan. We offer an employee stock purchase program to executive and non-executive employees of AMO on the same terms and conditions, other than in certain countries where it is impractical for us to offer this benefit. Employees may purchase AMO stock twice a year, through payroll deductions, at a discount of 15% off the lower of the stock price on the first or last day of the six-month purchase period. Because the discount offered under the plan is more than 5%, we incur an expense associated with the program. However, we have maintained the program in its original design because we feel that it is an important tool for attracting and retaining key talent throughout the organization, and for encouraging employee investment in the long-term performance of AMO.

Table of Contents

While we use a pre-determined methodology for incentive pay, the compensation committee uses its judgment and evaluates each individual's performance in the prior year, total compensation package, total vested and unvested equity incentives and other factors in considering the final amount of any award. Those awards may be above or below the targeted amounts, as the compensation committee deems appropriate. We feel that it is important to maintain total compensation at the market median in order to retain key talent. We also deem it crucial to motivate our executives to perform well above the median.

Each of our stock incentive programs results in a non-cash expense to AMO. We consider the expense implications of these incentives each time they are granted, and in aggregate with past grants and estimated future grants. We feel that the expense associated with the incentives is reasonable and appropriate. Moreover, we feel the benefit to the company well exceeds this cost.

Retirement. Our U.S.-based named executive officers participate in our retirement programs on the same terms as all of our employees. In the United States, we offer a 401(k) plan, with company matching of 50% of the first 8% of employee contributions. We also offer a profit sharing contribution once a year based on a points system, combining points for age and years of service. Company contributions to the 401(k) plan may be limited in amount by Internal Revenue Service regulations. If this occurs, we make contributions of the amounts so limited to our non-qualified executive deferred compensation plan. Executives may also make elective pre-tax deferrals to the executive deferred compensation plan, but we do not guarantee any rate of return on the executives' accounts. The executive deferrals and excess contributions are funded through a third party administrator and invested in the executives' choices of investment vehicle. We offer retirement programs to our named executive officers and all of our employees in order to encourage savings for retirement and to remain competitive.

Dr. Heidrich, our only named executive officer based outside of the United States, participates in a defined benefit pension plan which is carried on AMO's balance sheet as an unfunded liability as permitted under German law. We continued this benefit for Dr. Heidrich, which he had originally received while employed by Allergan, Inc., our former parent company.

Health and Welfare Programs. AMO provides health and welfare benefits to its named executive officers that are identical to those provided to all regular full-time employees, including medical, dental, and disability insurance. In addition, each of the U.S.-based named executive officers is entitled to receive a comprehensive executive physical worth up to approximately \$2,000, which is coordinated with our medical plan. We provide this benefit in order to encourage the proactive management of the executives' health care and to provide an opportunity for early diagnosis and management of any health issues.

Perquisites. The named executive officers receive the following perquisites, which are fully taxable to the executive and deductible by AMO. We determine these amounts and the maximum amounts payable in consideration of practices at peer group companies, historical practice and custom, and evolving business needs. We also provide these benefits as a relatively inexpensive means to maintain competitiveness.

Transportation. A car and gas allowance totaling \$11,000 per year is provided to each U.S.-based named executive officer. Dr. Heidrich, based in Germany, receives a company-leased car and a gas allowance. These benefits are provided in recognition of the need to have executive officers travel to visit customers, business partners and advisors and other stakeholders in order to fulfill their job responsibilities. This travel causes wear and tear on personal vehicles and increases fuel expenses. The car and gas allowance eases the administrative burden of tracking mileage and wear-and-tear each time travel occurs. Executives receiving these benefits are not eligible for additional mileage reimbursement for travel related to a personal vehicle.

Tax and Financial Planning. We provide to each U.S.-based named executive officer an opportunity for reimbursement of expenses related to tax and financial planning, up to a maximum

Table of Contents

amount of reimbursement of \$13,000 for Mr. Mazzo and up to \$8,360 for each of Messrs. Meier and Trenary and Ms. Rady. We believe it is in the best interests of the company for the officers to have professional assistance in managing their compensation, benefits and equity so that the officers focus their full attention on our business. Reimbursement covers the services of a professional financial planner, the costs of developing a will or trust, tax planning, tax return preparation and filing, and other related expenses. It does not include investment fees, tax penalties or other similar costs.

Life Insurance. We provide company-paid life insurance to all U.S.-based employees, but at a higher benefit level for our named executive officers. We offer this benefit to our employees to provide financial security to our employees' families and/or beneficiaries. The insured amount for our U.S.-based named executive officers is \$1.5 million, and this is purchased through our cost-effective group insurance program. At a low cost to the company, we are able to provide an important benefit that is key to executive recruitment and retention.

Club Dues. We reimburse our U.S.-based named executive officers for the costs of membership in a private social or health club, up to a maximum amount of \$19,500 for Mr. Mazzo, \$12,540 for Mr. Meier, and \$9,150 for Mr. Trenary and Ms. Rady. We provide this benefit to enable our officers to entertain business colleagues and business partners, and to provide a forum for the development of future business. This benefit includes health clubs in order to encourage executive health and fitness.

Spousal Travel. On a very limited basis, we may provide for the payment of spousal travel, as well as gross-up the taxes associated with the imputed income to the executive for this benefit. This travel is only paid by the company with the specific approval of the chief executive officer and has historically been associated with incentive award trips for the sales organization.

Employment Agreements. AMO has entered into employment agreements with each of our named executive officers. We entered into employment agreements with Messrs. Mazzo, Meier and Trenary, Dr. Heidrich and Ms. Rady, effective June 29, 2002 in connection with our spin-off from Allergan. At that time, our board of directors deemed the employment agreements necessary to the recruiting process for executives of the new company. The assurance offered by the employment agreements was deemed necessary and prudent to entice long-term Allergan employees (Mr. Mazzo and Dr. Heidrich) and those who were giving up positions at other companies (Messrs. Meier and Trenary and Ms. Rady) to join AMO, a new company with no history as an independent company.

Each agreement has an initial term of three years and may be automatically extended for successive one-year terms unless either party to the agreement elects in writing not to extend the term. The agreements set forth the general principles of the executives' compensation and benefits arrangements. Mr. Mazzo's agreement also provides for his service as a director of AMO. Each year, our compensation committee reviews the prudence of maintaining the employment agreements in the context of AMO's current business environment and all of the other benefits afforded the named executive officers. This review was most recently completed in September 2006. The compensation committee determined not to terminate any of the employment agreements with the named executive officers. This decision was based on the most recent performance reviews of the named executive officers, the importance of the continued roles played by the executives, and competitive market practice. New employment agreements with executives, or any amendments to the current agreements, require the approval of the compensation committee.

The following is a summary of the key terms of the employment agreements, which generally follow the same form. Unless otherwise noted, the following summary applies to all five employment agreements.

Salary, Annual Incentives, Equity Incentives, and Employee Benefits. The agreements provide for a minimum level of base salary, with the actual rate of base salary subject to change annually

Table of Contents

above that minimum rate in the discretion of the compensation committee. The agreements also provide that the executive is eligible to participate in annual incentive, stock option and other equity award programs that are generally available to similarly situated executives of AMO. The agreements do not require any minimum level of annual incentive payments or participation in any stock option or equity-based plans. The agreements also entitle the executives to participate in or receive the benefits and perquisites as are generally provided from time to time to similarly situated executives. The agreements do not guarantee the continuation of any plan or benefit, other than an assurance of office support and reimbursement of business expenses. The agreements similarly entitle the executive to receive paid vacation only in accordance with then current company policies and practices.

Dr. Heidrich's employment agreement contains additional provisions that were unique to his position as an executive in Germany. His agreement provides for the continuation of a company car according to AMO's then current policy for German employees, with AMO's agreement to bear any tax associated with Dr. Heidrich's personal use of the vehicle. The agreement further provides for minimum levels of insurance and health coverage, capital accumulation benefits under German law, temporary disability coverage, a minimum of 30 days of vacation, and a small cash vacation allowance of \$21 per day.

The compensation committee has determined that an assurance of a minimum level of base salary is prudent for retention of key talent. No other specific assurances were deemed necessary, and none were given in the agreements, in order to preserve full flexibility for the compensation committee to change benefits or incentives from time to time.

Termination of Employment

Termination by Us Without Cause or by the Executive for Good Reason. In the event that the executive is terminated by us other than for cause, or if the executive terminates his or her employment for good reason, the executive will receive severance pay that includes:

a prorated portion of the executive's targeted annual incentive award;

an amount representing the executive's unused accrued vacation time (at his base salary rate) through the date of termination;

continued medical and other welfare plan coverage for the executive and his eligible dependents for twelve months;

a severance payment calculated by multiplying the executive's annual compensation by two (three in the case of Mr. Mazzo). For the purposes of this severance payment calculation, the executive's annual compensation is defined as the sum of (i) the higher of the executive's then-current base salary or his highest annual salary within the five-year period ending at the time of his or her termination plus (ii) a management incentive plan increment, which is equal to the higher of 100% of his or her then-current annual target incentive award rate or the average of the two highest of the last five annual incentive awards paid by us to the executive. For Dr. Heidrich, the annual compensation also includes the value of the company car benefit.

The employment agreements define cause to include:

willful and continued refusal to comply with a lawful, written instruction of the board;

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

willful misconduct which results in a material financial loss to the company or material injury to its public reputation; or

conviction of any felony.

Table of Contents

The employment agreements also define "good reason" to include:

a reduction or adverse material change in the executive's overall compensation; or

a material change in duties, defined as any substantial diminution or adverse modification in the executive's overall position, responsibilities or reporting relationship, or move of job location to more than 50 miles from the then current place of employment.

Our board has determined that it is in the best interest of AMO and its stockholders to define the parameters for termination and to define termination terms and consequences. Again, these agreements were deemed prudent at the time of signing and as of the compensation committee's latest review in order to retain our key executive talent.

Termination by Us With Cause or by the Executive for other than Good Reason. If the executive's employment is terminated by us with cause, or if the executive voluntarily resigns without good reason, the executive is entitled only to those elements of pay as are required by law, such as base pay through the date of termination, payment for unused accrued vacation, and reimbursable business expenses.

Termination as a Result of Death or Disability. In the event that the executive's employment is terminated as a result of death or disability, the executive will receive severance pay that includes:

Executive's base salary until, in the case of the executive's death, the earlier of (i) twelve months after the date of the executive's death and (ii) the last day of the term of the employment agreement and, in the case of the executive's disability, the date the executive begins to receive benefits under the long term disability insurance, but in no event following twelve months after the date of termination;

a prorated portion of the executive's targeted annual cash incentive;

an amount representing the executive's unused accrued vacation time (at his or her base salary rate) through the date of termination; and

continued medical and other welfare plan coverage for the executive (in the case of his disability) and the executive's eligible dependents for twelve months.

Disability is defined as the executive's physical or mental disability or infirmity which, in the opinion of a competent physician selected by the board, renders the executive unable to perform his duties under the employment agreement for more than 120 days during any 180-day period. The compensation committee has determined that benefits in the event of death and disability are important and prudent elements of the entire package provided to the executives as a means to provide financial security to the executive and his or her family in the unfortunate event of a death or disability. This feature also provides the company with a framework for addressing the replacement of a disabled executive.

Termination in Connection with Change in Control. In the event the executive's employment is terminated by us without cause, or by him for good reason, 120 days prior to or within two years after a change in control event occurs, the employment agreements provide that the executive will receive a severance payment equal to three times annual compensation using the same method of calculation described above. The agreements also provide that all of the executives' stock options, incentive compensation awards and restricted stock that are outstanding at the time of the

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

termination will immediately become fully exercisable, payable or free from restrictions, respectively. The applicable exercise period for any stock option or other award will continue for the length of the exercise period specified in the grant of the award as determined without regard to the executive's termination of employment. The executive will also be allowed to continue to participate for three years following his

Table of Contents

termination in all of our employee benefit plans that were available to him or her before termination.
A change in control is carefully defined in the agreements but can be generally summarized to include:

any person becomes the beneficial owner of 20% of the voting power of our outstanding stock without the approval of our board (or 33% even if approved by our board);

a change in the majority of our board, if not approved by the incumbent board members;

the consummation of a merger, consolidation or reorganization involving AMO, other than a transaction that satisfied both of the following conditions:

the voting stock of AMO represents at least 55% of the combined voting power of the surviving entity; and

no person is or becomes the beneficial owner of more than 20% of the combined voting power of our outstanding voting securities; or

the stockholders approve a plan of complete liquidation or agree to sell or dispose all or substantially all of AMO's assets.

We believe that it is in the best interest of AMO and our stockholders to foster the executives' objectivity in making decisions with respect to any pending or threatened change in control, and to assure that AMO will have the continued dedication and availability of the executives as employees of AMO notwithstanding the possibility, threat, or occurrence of a change in control. We believe these goals can be accomplished by alleviating certain of the risks and uncertainties with regard to the executives' financial and professional security that would be created by a pending or threatened change in control and that inevitably would distract the executives and could impair their abilities to objectively perform their duties on behalf of AMO. Accordingly, we believe it is appropriate to provide for executive compensation arrangements upon a change in control that lessen the executives' financial risks and uncertainties and that are competitive with those of other companies in our industry.

Repatriation and Relocation Loan. We agreed to repatriate Mr. Mazzo and his household from the United Kingdom, and this was completed in 2004. To assist in his repatriation, we provided him a five-year, interest-free relocation loan of \$500,000. This loan is evidenced by a promissory note dated July 3, 2002, which is secured by real property purchased by Mr. Mazzo. The principal amount of \$500,000 is payable upon the earlier to occur of (a) 60 days following Mr. Mazzo's termination of employment; (b) the date of the sale or other transfer of the property; or (c) July 3, 2007. We made this loan to Mr. Mazzo before adoption of the Sarbanes-Oxley Act of 2002. As of December 31, 2006, the full amount of this loan was outstanding.

Excise Tax Gross-Up. In the event that any payment or benefits an executive receives pursuant to the employment agreement is deemed to constitute an excess parachute payment under Section 280G of the Internal Revenue Code, he or she is entitled to an excise tax gross-up payment to the full extent of his or her corresponding excise tax liability. Our compensation committee has determined that it is in the best interest of our stockholders to continue to provide the tax gross-up provision in the employment agreements in order to alleviate concerns over personal income tax liability associated with a potential change in control transaction and to bolster the objectivity of the executives in analyzing and managing potential change in control transactions.

Restrictive Covenants and Other Provisions. The executives have agreed not to disclose our confidential information to any other person or entity for a period of five years or to solicit any of our employees for a period of two years following

termination of employment. A breach of these covenants entitles AMO to an injunction against the executives and may cause the executives to

Table of Contents

forfeit any benefits under the employment agreement. Our obligation to provide any payments under the employment agreements is expressly conditioned on the executive's execution of a general release of claims against AMO. We deem these elements of the agreements as important conditions to the executive's receipt of the payments and benefits under the agreements. They provide important protections to AMO in exchange for the benefits paid. Similarly, the agreements provide protection to the executives for their lawful acts while officers of AMO. The agreements cover the indemnification of the executives for legal claims or proceedings filed against the executives because of their status as an officer, to the extent permitted under California law. The agreements further require AMO to maintain director and officer insurance. We believe it is fair to protect our executives for their lawful acts and to avoid the distraction of personal liability associated with their work. Any fraud or illegal conduct by the executive generally would not be covered under these provisions.

Indemnity Agreements. We have entered into Indemnity Agreements with each of the named executive officers. These agreements define the indemnification of the officers set forth in our Certificate of Incorporation and under Delaware law. They generally cover claims arising from actions taken by the executive in his or her capacity as an officer or director. No indemnification is provided where the officer has gained a personal profit or advantage to which he was not legally entitled, for any claim for accounting of profits made from the purchase or sale of our stock, or for any claim based on the executive's knowing fraudulent, deliberately dishonest or willful misconduct. In addition, no indemnity is provided where it is prohibited by law. We believe the indemnity agreements, which are prevalent for public companies, afford important and necessary protection for executives who assume obligations, and expose themselves to personal liability and expense, by serving as an officer of a public company. We believe that the named executive officers would not agree to continue in their current positions without the protections afforded by the Indemnity Agreements.

Interrelationship of Compensation Elements

Our policy for allocation between long-term and currently paid out compensation is to attempt to strike an appropriate balance between the focus on short-term operational goals and longer-term strategic goals. The proportions of base salary, annual incentives and long-term incentives vary among the named executive officers depending on their levels of responsibility, but generally a significant amount of pay for executive officers is composed of long-term, at-risk pay to focus management on the long-term success of AMO. Our president and chief executive officer has the greatest amount of pay at risk, followed by our chief operating officer and chief financial officer.

Our policy for allocating between cash and non-cash compensation is to heavily weight our long-term incentives in the form of non-cash awards. We have chosen non-cash awards as a means to link the compensation directly to longer-term stockholder value. Base salary is earned for performing basic job responsibilities. Annual cash incentives are designed to focus executives on shorter-term but crucial operational and strategic objectives. Our philosophy regarding the differentiation among different forms of non-cash compensation is discussed above, but in general our primary vehicle for non-cash compensation is stock options due to their direct link to growth in stockholder value.

Each year, our compensation committee reviews an inventory of all elements of executive compensation in order to maintain an understanding of the proportions of each of these elements in our overall compensation program. We consider prior compensation in setting other elements of compensation. We provide our equity incentive awards primarily to incentivize future performance, and therefore the amounts of prior equity grants are just one element considered in the incentive grant process.

Table of Contents

Timing of Incentive Awards

Our incentive awards for named executive officers are considered annually. Annual cash incentive targets are established in February of each year. Long-term incentive awards, if any, are awarded on the date of our annual stockholder meeting, which historically has been in May. Our compensation committee decides the timing of all incentive awards issued to the named executive officers.

We do not have any program, plan or practice to time option grants to our executives in coordination with the release of material non-public information. We generally award stock options and restricted stock to our named executive officers on the same date each year (the date of our annual meeting of stockholders), which is the same date of the annual grant to all employees eligible for stock incentive awards. Grants of stock incentive awards to new executives are not made in coordination with the release of material non-public information, but are instead granted on the later to occur of the first date of employment or the approval of the compensation committee, or full board of directors if applicable. We have not timed, and do not plan to time, the release of material non-public information for the purpose of intentionally affecting the value of executive compensation.

Incentive awards with performance terms or performance vesting are generally awarded at the compensation committee's first meeting of the year in order to establish performance terms early in the performance cycle and to comply with the requirements of Section 162(m) of the Internal Revenue Code. Again, these grants are not made in coordination with the release of material, non-public information but are instead granted on the date of the regular meeting approving the grant.

Consideration of Corporate Performance

In setting compensation policies and making compensation decisions, our compensation committee considers measures of corporate performance. Corporate performance is an element of each named executive officer's annual review of base salary and annual equity incentive grants. Corporate performance is the primary funding mechanism for our management incentive program and for our performance awards.

Our annual management incentive plan (known formally as the 2002 Bonus Plan) lists several measures that the compensation committee may choose from in establishing a funding target for the management incentive payment, either alone or in any combination, and measured either on an absolute basis, on a relative basis against one or more pre-established targets, peer group performance, or past company performance, as the compensation committee, in its sole discretion, determines. These measures include revenue (sales), cash flow, earnings per share (including earnings before interest, taxes and amortization), return on equity, total stockholder return, return on capital, return on assets or net assets, income or net income, operating income or net operating income, operating profit or net operating profit, operating margin, and market share. If the management incentive is funded, the funds are allocated among the business units and functions largely based on the business performance of that unit or function.

Our performance awards are determined on the basis of AMO's total stockholder return as compared to that of the peer group.

Consideration of Individual Performance

The following forms of compensation are structured and implemented to reflect a named executive officer's individual performance and contribution to our corporate performance:

Base Salary. An important element of the annual review of each executive's performance measures the executive's individual attainment of objectives and the individual's contribution to corporate performance.

Annual Management Incentive. As discussed above, corporate performance determines the funding of our annual management incentive program. The incentive award for each individual named executive

Table of Contents

officer is then determined based on achievement of individual and business unit performance objectives. If there is no funding for the annual incentive plan, discretionary bonuses may be awarded upon approval of the compensation committee.

Stock Incentives. The annual review of individual executive performance is an important factor in determining the amount of stock incentives awarded to our named executive officers. Stock incentives are, however, primarily a tool for us to incentivize future performance. Therefore, future potential, retention and motivation are also important considerations.

Stock Ownership Guidelines

In January 2003 we adopted, and in September 2004 we revised, stock ownership guidelines for our executive officers. We ask each of our executive officers to own a number of shares having a value computed as follows:

Chief Executive Officer, 5 times base salary

Executive Vice Presidents and Corporate Vice Presidents, 3 times base salary

Senior Vice Presidents, 2 times base salary

For purposes of this calculation, we include the equivalent share value of vested, in-the-money stock options (net of tax and exercise price) and the value of restricted stock and restricted stock units. Executives are expected to meet these guidelines within five years of becoming an officer.

2006 Named Executive Officer Compensation

In 2006, our named executive officers were James V. Mazzo, Richard A. Meier, Holger Heidrich, Ph.D., C. Russell Trenary III and Jane E. Rady. Our compensation committee considered the factors described below in making its compensation decisions for each of our named executive officers.

Base Salary. Our compensation committee increased salaries for our named executive officers an average of 5.7% in February 2006, and no named executive officer's base salary was increased by more than 9.5%. Individual performance factors, increases in costs of living, and median data from our peer group, among other factors, were considered in this analysis. In May 2006, our compensation committee approved an additional 10% increase to Mr. Mazzo's base salary in connection with his appointment as chairman of our board of directors. In September 2006, our compensation committee approved an additional 5% increase to Mr. Meier's base salary in connection with the additional responsibilities assumed by Mr. Meier as President of the Eye Care Business.

Annual Management Incentive - CEO. The compensation committee identified Mr. Mazzo as a 162(m) Participant under our Bonus Plan and set forth performance objectives for Mr. Mazzo as follows: provided that the corporation achieved adjusted operating income (excluding special charges related to the rationalization and repositioning program and the effect of stock incentive expenses) of at least \$216.75 million or revenue of at least \$988.95 million in 2006, the compensation committee established a target award for 2006 of \$1,000,000. The compensation committee retained the discretion to decrease the incentive award below the target award level. In February 2007, the compensation committee determined that the performance criteria for revenue was achieved. The compensation committee further decided to reduce the amount of award paid to Mr. Mazzo, from the maximum award of \$1,000,000 to \$357,500 for 2006's performance. This compares to an award of \$500,000 for 2005 and \$635,000 for 2004. The compensation committee considered the following factors, among others, in setting the amount of Mr. Mazzo's 2006 award:

AMO's November 2006 recall of eye care products. The committee considered the impact to AMO's financial performance and stockholder value for 2006 but also acknowledged Mr. Mazzo's prudent, ethical and effective management of the matter.

Table of Contents

Overall financial results for 2006 and key financial metrics.

Execution of key business initiatives, such as the rationalization and repositioning program, manufacturing initiatives, research and development and corporate development milestones, and employee engagement initiatives.

Mr. Mazzo's personal integrity and effective management of people and matters both internal and external to AMO.

Successful settlement of all pending litigation with Alcon, resulting in a cash settlement to AMO of \$121 million and key patent licenses.

Setting the strategic direction, and positioning AMO for future success as The Complete Refractive Solution.

Annual Management Incentive - Other Named Executive Officers. For 2006, the compensation committee established two corporate financial goals for management incentive funding. They were operating income (with 75% weighting and adjusted to exclude certain extraordinary items such as special charges associated with the company's rationalization and repositioning program and stock incentive expense under FAS 123R) and revenue (with 25% weighting). In addition, the compensation committee approved the following target amounts for each of the following named executive officers, expressed as a percentage of annual base pay: Mr. Meier (75%), Dr. Heidrich (55%), Mr. Trenary (55%), and Ms. Rady (45%). For 2006, the incentive pool funding targets were as follows: adjusted operating income (threshold \$216.75 million, target \$255.00 million and maximum \$293.25 million) and revenue (threshold \$988.95 million, target \$1,040 million and maximum \$1,197.15 million). Each participant could receive from zero to 150% of his or her target award. The compensation committee maintained the discretion to update the quantitative targets, and to increase or decrease payments, to account for extraordinary events and to include or exclude extraordinary, unusual or non-recurring items in its calculation of the company's results for the year. We have, therefore, characterized these payments as Bonus for 2006 in the summary compensation table.

In February 2007, our compensation committee funded bonuses for the named executive officers other than Mr. Mazzo at 50% of their respective targets. In reaching this decision, the committee considered the performance criteria discussed above with respect to Mr. Mazzo and additional factors, such as business unit and individual performances in comparison to performance objectives established early in 2006.

For participants other than the named executive officers, the 2006 management incentive program was funded generally at 65%. In reaching 65%, the committee exercised the discretion permitted under the plan to exclude the negative impact of the voluntary recall of eye care products in the fourth quarter of 2006 as well as certain rationalization related costs. The committee also exercised its discretion to exclude the positive impact of the net litigation settlement. The committee felt these actions were appropriate because the adjustments related to extraordinary events not contemplated at the time that the bonus targets were established. The committee acknowledged the significant financial impact of the eye care recall in making the decision to fund executive officer bonuses below the 65% level.

Stock Incentives. In May 2006, our compensation committee awarded stock options representing approximately 80% of the value of our executive stock-based awards, with approximately 20% of the value of awards in the form of restricted stock (restricted units in the case of Dr. Heidrich). The total value of the awards was generally targeted at relevant peers for each executive at the market median of our peer group, but were adjusted for individuals based upon past performance, contribution to the company and expected future performance potential.

In February 2006, our compensation committee awarded performance awards as described above. The target amounts of these awards to the named executive officers were designed to provide an opportunity for the executives to earn up to an aggregate of 75th percentile compensation of similarly

Table of Contents

situated peer group executives. In February 2007, our compensation committee determined that we did not meet the threshold level of performance for total stockholder return. Therefore, the compensation committee awarded no shares of restricted stock to the executives under this program.

In 2006, our compensation committee reviewed an inventory of all elements of executive compensation, including perquisites, retirement plans, benefits, employment agreements and severance arrangements. The compensation committee concluded that AMO's compensation program is currently reasonable and in the best interests of AMO's stockholders.

Compensation Committee Report

The Organization, Compensation and Corporate Governance Committee of the board of directors of Advanced Medical Optics, Inc. issues the following report for inclusion in the company's proxy statement in connection with the company's 2007 annual meeting of stockholders.

1. The committee has reviewed and discussed the Compensation Discussion and Analysis with management.
2. Based on this review and discussion, the committee recommended to the board of directors that the Compensation Discussion and Analysis be included in the company's proxy statement on Schedule 14A for the 2007 annual meeting of stockholders.
The Organization, Compensation and Corporate Governance Committee:

Michael A. Mussallem, Chairman

Christopher G. Chavez

James O. Rollans

Table of Contents**Summary Compensation Table**

The individuals named in the following tables are described elsewhere in this proxy statement as the named executive officers, and they include the company's chief executive officer, chief financial officer and the three other most highly compensated executive officers of the company for 2006.

It is important to note that the amounts represented in the Total column were not entirely earned in 2006, and portions of that amount may never be earned. The amounts represented in the columns entitled Stock Awards and Option Awards represent the accounting valuation of these awards. The amounts do not necessarily represent the value the executive may actually receive; the value could be substantially less (even zero) or more than the amounts represented.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Bonus (\$) ⁽²⁾	Stock Awards (\$) ^{(3) (4)}	Option Awards (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	Change in Pension Value and Nonquali- fied Deferred Compensa- tion Earnings (\$) ⁽⁵⁾	All Other Compensa- tion (\$) ⁽⁶⁾	Total (\$)
James V. Mazzo Chairman, President and Chief Executive Officer	2006	\$ 684,865	\$ N/A	\$ 112,647	\$ 2,123,838	\$ 357,500	\$	\$ 163,382	\$ 3,442,232
Richard A. Meier, Chief Operating Officer and Chief Financial Officer	2006	466,173	171,375	44,003	912,880	N/A		59,303	1,653,734
Holger Heidrich, Ph.D., Corporate Vice President and President, EAM Region and International Government Affairs ⁽⁷⁾	2006	448,781	99,000	33,266	550,602	N/A	219,563	45,738	1,177,379
C. Russell Trenary III, Executive Vice President and President, Cataract Refractive Group	2006	341,538	94,875	31,242	580,285	N/A		61,304	1,109,246
Jane E. Rady, Executive Vice President, Strategy and Corporate Development	2006	312,738	71,000	22,881	577,517	N/A		50,462	1,034,598

(1) The amounts shown include cash compensation earned and received by executive officers as well as amounts earned but deferred at the election of those officers. For 2006, the amount shown under Salary includes \$7,577, which was paid to Mr. Meier in lieu of accrued vacation.

(2) The amounts shown represent management incentive awards which were paid in the first quarter of 2007 under our Bonus Plan for services rendered during 2006.

(3)

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

See Note 11 to the Consolidated Financial Statements, filed with our annual report on Form 10-K, for a discussion of the assumptions made in calculating amounts under Statement of Financial Accounting Standard 123R (FAS123R)

- (4) Represents 2006 expense incurred under FAS 123R for restricted stock grants made in May 2006.

- (5) Dr. Heidrich participates in AMO's German defined benefit plan. No other named executive officer participates in a defined benefit retirement plan. Amount represents the aggregate change in the actuarial present value of the accumulated benefit from September 30, 2005 to September 30, 2006, using the average 2006 exchange rate of euros to dollars of 1.25622.

- (6) All Other Compensation in the foregoing Summary Compensation Table is composed of company contributions to our qualified and non-qualified retirement plans and the cost of term life insurance, as well as perquisites paid to a named executive officer. The following table sets forth all such compensation paid in 2006 to the named executive officers. In the case of Dr. Heidrich, who is based in Germany, retirement benefits are company contributions to a pension plan, which is comparable to a retirement savings plan, and Other (as set forth below) includes \$791 holiday pay, which is mandated by a works council agreement, as well as a \$603 employer contribution to a government-supported savings plan.

Table of Contents

Nature of All Other Compensation	Mr. Mazzo	Mr. Meier	Dr. Heidrich	Mr. Trenary	Ms. Rady
Retirement	\$ 123,137	\$ 34,463	\$ 10,288	\$ 36,496	\$ 32,067
Insurance	2,610	2,610	688	1,918	5,497
Other			1,394		
Perquisites:					
Executive club dues	3,635			1,323	
Tax preparation and financial planning	13,000			567	
Transportation Allowance (for US executives; for Dr. Heidrich, includes car lease, insurance and car taxes)	11,000	11,000	33,368	11,000	11,000
Executive Physical		1,230			1,898
Spousal Travel	6,755	6,755		6,755	
Tax gross up, spouse travel	3,245	3,245		3,245	
Total	\$ 163,382	\$ 59,303	\$ 45,738	\$ 61,304	\$ 50,462

(7) Dr. Heidrich is paid in Euros. Dollar amounts shown for Dr. Heidrich in the Salary, Change in Pension Value and Nonqualified Deferred Compensation Earnings, and All Other Compensation columns in the foregoing Summary Compensation Table and in these footnotes were converted from Euros to Dollars using the average conversion rate of 1.25622 for the period January 1, 2006 to December 31, 2006. Dr. Heidrich's Bonus was converted to Euros at the time of payment at the rate of 1.20 and is therefore reflected in this table at the rate of 1.20.

Cash incentives for the named executive officers, other than Mr. Mazzo, are expressed in the Summary Compensation Table as Bonus due to the compensation committee's use of discretion to adjust the funding of the cash incentives to account for extraordinary events. Please refer to the discussion of 2006 compensation in the Compensation Discussion and Analysis section above. The annual cash management incentive awards for 2006 were an average of 31.6% less than in 2005 and 18.8% less than in 2004.

Grants of Plan-Based Awards

2006 GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾ Target	Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾		All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
			Target	Maximum				
			(\$)	(\$)				
James V. Mazzo	2/8/06	1,000,000						
	2/8/06		750,000	750,000				(3)
	5/24/06				12,800			579,328
	5/24/06					128,000	\$ 45.26	5,793,280
Richard A. Meier	2/8/06		400,000	400,000				(3)
	5/24/06				5,000			226,300
	5/24/06					52,000	\$ 45.26	2,353,520
Holger Heidrich, Ph.D.	2/8/06		200,000	200,000				(3)
	5/24/06				3,780			171,083
	5/24/06					38,000	\$ 45.26	1,719,880
C. Russell Trenary III	2/8/06		220,000	220,000				(3)
	5/24/06				3,550			160,673
	5/24/06					39,000	\$ 45.26	1,765,140
Jane E. Rady	2/8/06		210,000	210,000				(3)
	5/24/06				2,600			117,676
	5/24/06					29,000	\$ 45.26	1,312,540

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

- ⁽¹⁾ This amount represents the maximum and target non-equity incentive plan opportunity under the 2006 management incentive program, subject to negative discretion by our compensation committee. In February 2007, our compensation committee determined the amount of the award, which was paid in March 2007 and is reflected in the Summary Compensation Table above as non-equity incentive plan compensation for Mr. Mazzo. No threshold amount is expressed because the threshold is zero.

Table of Contents

(2) These amounts represent the maximum face value of shares of restricted stock or restricted stock units that could have been awarded pursuant to the 2006 performance awards. If our total stockholder return for the period of 2005 to 2006 was above the 50th percentile of an identified group of comparable companies, the named executive officers could have earned additional equity awards in the form of restricted stock or restricted stock units, based on the stock price on the date of the compensation committee's determination of whether the performance criteria were satisfied. In February 2007, our compensation committee determined that the performance criteria were not achieved, and in fact no shares of restricted stock were issued or will be issued under this program. No threshold amount is expressed because the threshold is zero.

(3) This amount represents the grant date fair value of the 2006 performance awards recognized under SFAS 123R. Please see Compensation Discussion and Analysis for a summary of the terms of these awards. The number of restricted shares or units to be awarded to the named executive officers under the awards was dependent upon a market condition (AMO's total stockholder return in comparison to an identified group of comparator companies). Under SFAS 123R, market conditions can reduce the grant date fair value. As such, at the time of the awards, the aggregate grant date fair value of the performance awards granted to the named executive officers had a grant date fair value of zero, or as much as \$1,780,000 depending on whether the performance condition was met. Because the market condition was not satisfied by the end of the performance period (December 31, 2006), the grant date fair value was ultimately determined to be zero.

All equity awards in the foregoing table were made under our 2005 Incentive Compensation Plan. Our plan dictates that the exercise price for all stock options awarded under the plan be priced at the closing price on the trading day prior to the date of grant. In 2006, this resulted in higher stock option exercise prices than would have been established based on the closing price on the date of the grant. The date of grant is coincident with the date of the compensation committee's (or board's) approval of the grant. The stock options awarded in 2006 vest 25% each year on the anniversary of the date of grant and have a term of 10 years from the date of grant.

All restricted shares and units vest three years from the date of grant, which is coincident with the date of the compensation committee's approval of the grant. Holders of restricted stock are entitled to receive dividends, if any, and are entitled to vote the restricted shares.

The performance awards issued in 2006 provided that shares of restricted stock or units would be issued in 2007 if our total stockholder return was positive and exceeded the 50th percentile of our peer group for the years 2005-2006. The number of restricted share or units to be issued depended on our total stockholder return performance between the 50th and 75th percentiles, the target values set for each named executive officer, and the stock price on the date of the compensation committee's performance determination. In February 2007, our compensation committee determined that our total stockholder return was below the 50th percentile of the peer group. As a result, no restricted stock or units have been or will be issued pursuant to the 2006 performance awards.

Our 2006 management incentive program provided an opportunity for the named executive officers to earn a cash award based on corporate performance as well as the performance of the individual officer and the business unit or function which he led. Incentive award funding in 2006 was based on the performance of revenue (with 25% weight) and adjusted operating income (with 75% weight). Please see our Compensation Discussion and Analysis regarding the incentive amounts awarded for 2006 performance.

Our stock incentive plan, by its terms, calls for accelerated vesting of stock incentive awards for all participants in the event of a change in control, and for a limited term to exercise the options after termination of employment. Our employment agreements with the named executive officers provide for exercisability of stock options over their full term, even if the executive's employment is terminated in connection with the change in control. The agreements do not guarantee that the named executive officers will receive any stock incentive grants or particular levels of cash incentives. The agreements do provide for minimum levels of base salary, which for each of the named executive officers are as follows: Mr. Mazzo \$450,000; Mr. Meier \$375,900; Dr. Heidrich 300,468; Mr. Trenary \$300,000; and Ms. Rady \$250,000. These agreements, along with a discussion regarding our practices for stock incentive grants, are discussed in further detail in the section entitled Compensation Discussion and Analysis.

Table of Contents**Outstanding Equity Awards at Fiscal Year End**

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2006

Name	Option Awards				Stock Awards		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	
James V. Mazzo	105,586 ⁽¹⁾⁽²⁾		\$ 8.9401	1/24/07			
	91,932 ⁽¹⁾⁽²⁾		13.715	2/2/08			
	240,000 ⁽²⁾		8.99	7/29/12			
	90,000 ⁽²⁾	30,000 ⁽²⁾⁽³⁾	13.85	4/29/13			
	100,000 ⁽²⁾	100,000 ⁽²⁾⁽⁴⁾	33.72	5/20/14			
	46,250 ⁽²⁾	138,750 ⁽²⁾⁽⁵⁾	38.20	5/26/15			
		128,000 ⁽²⁾⁽⁶⁾	45.26	5/24/16			
					12,800 ⁽⁷⁾	\$ 450,560	
							21,306 ⁽⁸⁾ \$ 750,000 ⁽⁸⁾
Richard A. Meier	100,000		8.99	7/29/12			
	33,750	11,250 ⁽³⁾	13.85	4/29/13			
	45,000	45,000 ⁽⁹⁾	33.72	5/20/14			
	20,000	60,000 ⁽¹⁰⁾	38.20	5/26/15			
		52,000 ⁽¹¹⁾	45.26	5/24/16			
					5,000 ⁽⁷⁾	176,000	
							11,363 ⁽⁸⁾ \$ 400,000 ⁽⁸⁾
Holger Heidrich, Ph.D.	19,114 ⁽¹⁾		5.7112	1/25/09			
	63,715 ⁽¹⁾		7.0347	12/10/09			
	48,242 ⁽¹⁾		8.9401	1/24/10			
	85,106 ⁽¹⁾		13.7150	2/2/11			
	80,000		8.99	7/29/12			
	22,500	7,500 ⁽³⁾	13.85	4/29/13			
	25,000	25,000 ⁽¹²⁾	33.72	5/20/14			
	11,250	33,750 ⁽¹³⁾	38.20	5/26/15			
		38,000 ⁽¹⁴⁾	45.26	5/24/16			
					3,780 ⁽⁷⁾	133,056	
							5,681 ⁽⁸⁾ \$ 200,000 ⁽⁸⁾
C. Russell Trenary III	60,000		8.99	7/29/12			
	22,500	7,500 ⁽³⁾	13.85	4/29/13			
	25,000	25,000 ⁽¹²⁾	33.72	5/20/14			
	12,500	37,500 ⁽¹⁵⁾	38.20	5/26/15			
		39,000 ⁽¹⁶⁾	45.26	5/24/16			
					3,550 ⁽⁷⁾	124,960	
							6,250 ⁽⁸⁾ \$ 220,000 ⁽⁸⁾
Jane E. Rady	60,000		8.99	7/29/12			

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

26,250	8,750 ⁽³⁾	13.85	4/29/13				
30,000	30,000 ⁽¹⁷⁾	33.72	5/20/14				
11,250	33,750 ⁽¹³⁾	38.20	5/26/15				
	29,000 ⁽¹⁸⁾	45.26	5/24/16				
				2,600 ⁽⁷⁾	91,520		
						5,966 ⁽⁸⁾	\$ 210,000 ⁽⁸⁾

(Footnotes on Following Page)

Table of Contents

- (1) Stock options that were converted from Allergan stock options at the time of our spin off in July 2002.
- (2) Stock option was transferred to executive's family trust, for no value.
- (3) Stock options vest on April 29, 2007.
- (4) Stock options vest 50,000 on each of May 20, 2007 and May 20, 2008.
- (5) Stock options vest 46,250 on each of May 26, 2007, May 26, 2008 and May 26, 2009.
- (6) Stock options vest 32,000 on each of May 24, 2007, May 24, 2008, May 24, 2009 and May 24, 2010.
- (7) Restricted stock vests on May 24, 2009.
- (8) Amount reflects maximum potential face value or potential number of shares of restricted stock or restricted stock units that could have been issued under 2006 performance awards assuming a stock price of \$35.20 (the closing price of our stock on December 29, 2006). The actual number of shares or units that could have been awarded would have been determined based on the closing price of our stock on the date that our compensation committee determined that an award of stock was appropriate. In February 2007, our compensation committee determined that in fact no awards of stock or units would be made under this program because the performance criteria were not satisfied.
- (9) Stock options vest 22,500 on each of May 20, 2007 and May 20, 2008.
- (10) Stock options vest 20,000 on each of May 26, 2007, May 26, 2008 and May 26, 2009.
- (11) Stock options vest 13,000 on each of May 24, 2007, May 24, 2008, May 24, 2009 and May 24, 2010.
- (12) Stock options vest 12,500 on each of May 20, 2007 and May 20, 2008.
- (13) Stock options vest 11,250 on each of May 26, 2007, May 26, 2008 and May 26, 2009.
- (14) Stock options vest 9,500 on each of May 24, 2007, May 24, 2008, May 24, 2009 and May 24, 2010.
- (15) Stock options vest 12,500 on each of May 26, 2007, May 26, 2008 and May 26, 2009.
- (16) Stock options vest 9,750 on each of May 24, 2007, May 24, 2008, May 24, 2009 and May 24, 2010.
- (17) Stock options vest 15,000 on each of May 20, 2007 and May 20, 2008.
- (18) Stock options vest 7,250 on each of May 24, 2007, May 24, 2008, May 24, 2009 and May 24, 2010.

Option Exercises and Stock Vested

2006 OPTION EXERCISES AND STOCK VESTED

During 2006, no stock awards vested. The following table describes the stock options exercised by the named executive officers in 2006.

Name	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)
James V. Mazzo ⁽¹⁾	105,586	\$ 2,919,157
Richard A. Meier		
Holger Heidrich, Ph.D.		
C. Russell Trenary III	10,000	\$ 333,489
Jane E. Rady		

- (1) During 2006, pursuant to a Rule 10b5-1 Plan that was entered into on February 18, 2005, Mr. Mazzo's family trust exercised a stock option that had been granted in January 2000 and that otherwise would have expired in January 2007; of the 105,586 options exercised, the trust sold only the portion necessary to cover the exercise price and associated taxes and retained ownership of 42,386 shares.

Pension Benefits

We do not offer a defined benefit pension plan to our U.S.-based executives. The following disclosure relates to Dr. Heidrich's participation in our German pension plan.

Table of Contents

2006 PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#) ⁽¹⁾	Present Value of Accumulated Benefit (\$) ⁽²⁾	Payments During Last Fiscal Year (\$)
Holger Heidrich, Ph.D.	AMO Germany GmbH Ettlingen Pension Plan	22	\$ 2,164,601	\$ 0

⁽¹⁾ Dr. Heidrich was an employee of Allergan from January 1, 1985 through our spin-off date of June 29, 2002. During the period of January 1, 1985 to June 30, 1996, Dr. Heidrich was not admitted to the Allergan pension plan and instead participated in the pension fund of the local union group. Upon Dr. Heidrich's entry into the Allergan pension plan on July 1, 1996, it was discovered that his prior pension benefit was significantly less than would have been provided had he participated in the Allergan pension plan. After analysis of the pension benefit gap, Allergan entered into an agreement with Dr. Heidrich to compensate for lost pension benefits during his first 11 years with Allergan (January 1, 1985 – June 30, 1996) by providing an additional year of credit under the pension plan for each subsequent year of service through December 31, 2007. As part of AMO's spin-off from Allergan, due to local regulations, AMO duplicated the plan and assumed the commitment to Dr. Heidrich in effect at the time of the spin-off for Allergan employees who transferred to AMO. As of December 31, 2007, Dr. Heidrich will have received his full past service pension credit. With this commitment fulfilled, future service credit will resume under a normal schedule of one year of pension credit for one year of service. As of December 31, 2006, the estimated present value of the accumulated benefit that is attributable to the additional years of service is \$1,082,300.

⁽²⁾ Based on December 31, 2006 accrued benefit obligation of EUR 1,723,107, using the currency conversion average rate for calendar year 2006 (1.25622). The following assumptions were used in calculating the disclosure amount: 2006 salary of 361,372; 2005 salary of 332,831; normal retirement age of 65; Dr. Heidrich's actual date of birth and hire date of January 1, 1985; discount rate of 4.50%; social security increase of 2.25%; inflation of 2.00%; mortality table Heubeck RT 2005 G; disability table Heubeck RT 2005 G; turnover using Mercer Human Resource Consulting's standard tables.

Dr. Heidrich participates in the pension plan that is offered to all employees of AMO Germany GmbH. This plan is a defined benefit plan that provides a benefit upon retirement, early retirement, disability or death. The benefit is based upon final average salary and years of service with the company. The annual benefit at the normal retirement age of 65 is: years of service times the sum of: (.5% times final average salary below the Social Security Compensation Ceiling (SSCC)), plus 1.5% times final average salary above the SSCC. The SSCC increases over time; the SSCC for 2006 was EUR 63,000. In general the plan does not grant extra years of service. However, for Dr. Heidrich an agreement was made, as described above in footnote (1), to grant additional service to reconcile his pension plan benefit with his actual years of service.

Table of Contents**Nonqualified Deferred Compensation**

2006 NONQUALIFIED DEFERRED COMPENSATION

Name ⁽¹⁾	Plan	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$) ⁽²⁾	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance at Last FYE (\$)
James V. Mazzo	Executive Deferred Compensation Plan	\$ 0	\$ 0	\$ 28,056	\$ 0	\$ 534,844 ⁽³⁾
	2005 Executive Deferred Compensation Plan	\$ 0	\$ 96,162	\$ 5,648	\$ 0	\$ 101,809
Richard A. Meier	Executive Deferred Compensation Plan	\$ 0	\$ 0	\$ 22,825	\$ 0	\$ 236,805 ⁽³⁾
	2005 Executive Deferred Compensation Plan	\$ 70,430 ⁽⁴⁾	\$ 16,375	\$ 9,017	\$ 0	\$ 117,322 ⁽⁵⁾
C. Russell Trenary III	Executive Deferred Compensation Plan	\$ 0	\$ 0	\$ 1,019	\$ 0	\$ 24,562
	2005 Executive Deferred Compensation Plan	\$ 0	\$ 16,396	\$ 544	\$ 0	\$ 16,940
Jane E. Rady	Executive Deferred Compensation Plan	\$ 0	\$ 0	\$ 905	\$ (1,430)	\$ 21,812
	2005 Executive Deferred Compensation Plan	\$ 0	\$ 13,051	\$ 433	\$ 0	\$ 13,484

⁽¹⁾ Dr. Heidrich is not eligible to participate in the Executive Deferred Compensation Plan.

⁽²⁾ Represents company contributions of amounts that would have been contributed to the executive's 401(k) Plan account if the executive had not deferred amounts under the deferred compensation plan and certain Internal Revenue Code limitations did not apply.

⁽³⁾ Of these amounts, the following represent amounts reported in prior Summary Compensation Tables of AMO as Salary or Bonus, and aggregate amounts the executives deferred but could have taken in cash (including investment gains or losses on the amounts deferred):

	Amounts Previously Reported	Amounts Attributed to Executive Deferrals
Mr. Mazzo	\$ 152,423	\$ 351,086
Mr. Meier	158,399	205,287

⁽⁴⁾ \$22,430 of Mr. Meier's deferral is included in the Salary column of the Summary Compensation Table. The remainder was included as Bonus in our 2005 Summary Compensation Table, as it related to his 2005 bonus, which was paid and deferred in 2006.

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

⁽⁵⁾ Of these amounts, \$90,888 has been reported in prior Summary Compensation Tables of AMO as Salary or Bonus and \$100,038 is the aggregate amount Mr. Meier deferred but could have taken in cash (including investment gains or losses on the amounts deferred). The foregoing table includes information on the Executive Deferred Compensation Plan implemented at the time of our spin-off in 2002 and our 2005 Executive Deferred Compensation Plan. The American Jobs Creation Act of 2004 changed the federal income taxation of compensation deferred after December 31, 2004 under nonqualified deferred compensation plans such as ours. The changes made by the Act were intended to limit participant discretion in the timing of the payment of deferred compensation. Under the Act, pre-2005 plans,

Table of Contents

such as ours, were able to be grandfathered with their existing terms. Our board of directors determined that we would continue operating our original plan under its existing terms for amounts that had been deferred prior to December 31, 2004, and established a new deferred compensation plan, AMO's 2005 Executive Deferred Compensation Plan, effective for amounts deferred after December 31, 2004.

The AMO executive deferred compensation plans are nonqualified deferred compensation plans maintained for the benefit of eligible employees in the U.S. and Puerto Rico. The plans' provisions and terms apply to our named executive officers in the same manner as applied to all eligible employees. Eligible employees are U.S. and Puerto Rico based employees who are in positions having a salary grade of 8E or above or other executive or management positions approved by the committee. An employee eligible to participate in the 2005 plan generally may elect to defer up to 100% of his or her base salary and annual cash incentives (subject to a minimum deferral of \$5,000) under the plan. Employee deferrals are limited to salary and annual cash incentives, and exclude deferral of gains from the exercise of employee stock options, commissions, sales bonuses, and other non-regular forms of compensation. The plan also provides that we will credit certain additional amounts to an eligible employee's deferral account under the plan that would have been contributed to the employee's account under the Advanced Medical Optics, Inc. 401(k) Plan, if such employee had not deferred amounts under the deferred compensation plan and certain Internal Revenue Code limitations did not apply. Also, AMO may credit additional discretionary amounts to an eligible employee's deferral account under the 2005 plan, but has not done so with respect to any of the named executive officers. All such amounts are credited to an eligible employee's deferral account, which is maintained for bookkeeping purposes only.

An eligible employee's deferral account, in either plan, represents an unfunded and unsecured right to receive distributions under the plan. An eligible employee has only the rights of a general creditor of AMO and has no right or interest in any asset of AMO or the trusts established in connection with the plans. An eligible employee may direct the investment of his or her deferral account in certain fund media, as may be selected from time to time by the plan administrator, and his or her deferral account will be credited with investment returns based on the income, gains, losses and expenses of such investment funds. Our plans do not guarantee any rate of return on these investments.

A participant in the plans may change his or her fund media elections electronically, via the plan website, or by contacting the third party administrator in writing or by telephone. Elections may be changed on a daily basis, without restriction. The fund media offered to participants in both plans, and their rates of return, are as follows:

Investment Choices	2006 Year To Date	1-Year Annualized Average	3 Year Annualized Average	5-Year Annualized Average	10-Year Annualized Average	Since Inception	Inception Date
BlackRock Money Market Class A	4.33%	4.33%	2.43%	1.70%	3.11%	3.83%	12/31/1987
PIMCO Total Return Admin Class	3.37%	3.37%	3.26%	4.56%	n/a	5.23%	01/02/1998
Fidelity VIP Asset Manager Initial Class	6.84%	6.84%	5.13%	4.40%	5.59%	7.92%	09/06/1989
FI Value Leaders Class D	9.03%	9.03%	7.45%	6.78%	7.97%	8.84%	08/30/1996
Legg Mason Partners Variable Equity Index Class I	14.88%	14.88%	9.57%	5.38%	7.60%	9.85%	10/16/1991
Janus Capital Appreciation Class A	2.62%	2.62%	12.85%	5.91%	8.94%	12.18%	05/16/1983
Putnam VT Small Cap Value Class IB Shares	16.77%	16.77%	16.08%	13.64%	n/a	14.60%	04/30/1999
Templeton Foreign Securities Class 2	20.90%	20.90%	16.11%	10.80%	7.43%	9.53%	05/01/1992
AIM V.I. International Growth Series I Shares	27.66%	27.66%	22.79%	14.83%	7.71%	9.38%	05/05/1993

Table of Contents

An eligible employee will receive distributions from his or her deferral account upon retirement (defined as age 55 and a minimum of five years of service, or age 65 with a minimum of one year of service), termination of employment, or death (in which case the employee's beneficiary receives the distribution), in cash in a lump sum or installments. An eligible employee may also receive in-service distributions. Participants make elections for distribution under the various circumstances described above each year, prior to any deferrals being made for that year, and only for the deferrals to be made in the following calendar year. These elections generally are irrevocable, except as provided for under the laws governing such plans. In the event that a participant retires who is determined to be a key employee, defined in the 2005 plan as a group limited to the top 50 compensated employees, the payment of their retirement benefits under the 2005 plan is delayed until the earlier of (a) six months after the termination of employment or (b) the death of the participant.

A participant may also make withdrawals due to financial hardship. Such withdrawals require approval of the administrative committee charged with oversight of the plans, and are limited to an amount necessary to address the financial hardship. In the event a participant makes a hardship withdrawal under the 2005 Plan, current year participation in the plan will be terminated, and future participation may be restricted.

AMO has established grantor trusts to which AMO will make contributions to assist it in meeting its obligations to provide plan benefits. However, plan participants have no title to, or interest in, any of the trusts' assets. Participant interests in the plans remain, therefore, at risk.

Potential Payments upon Termination or Change-In-Control

The section of this proxy statement entitled "Compensation Discussion and Analysis" includes a summary of the material terms and conditions of the employment agreements we have entered into with our named executive officers. The employment agreements are the only arrangements we have with our named executive officers to provide benefits upon termination or change-in-control that are not otherwise part of our employee benefit plans, which apply to all employees on the same terms.

The following tables include the estimated amounts that would have been payable to our named executive officers under their employment agreements in various termination circumstances. The tables include the total estimated amounts payable, and, where applicable, the footnotes indicate the portion of that amount that would have been payable under our standard plans applicable to all salaried employees. For instance, our 2002 Bonus Plan provides for pro-rated incentive payments for all participants in the event of a change in control mid-year. Similarly, our incentive compensation plans require full vesting of all stock incentive awards in the event of a change in control. Unless otherwise noted, all cash payments are made in a lump sum and would be paid by AMO or AMO's successor. The table assumes that the triggering event occurred on December 31, 2006, and assumes a stock price of \$35.20, our closing price on December 29, 2006. The amounts set forth in these tables represent estimates and forward-looking information that is subject to substantial variation, based on the timing of the triggering event. We caution you to consider these limitations in reviewing the following tables.

Table of Contents**Mr. Mazzo**

	Termination by AMO Without Cause or by the NEO for Good Reason	Termination as a Result of Death	Termination as a Result of Disability	Termination by AMO Without Cause or by NEO for Good Reason (Change in Control)
Executive Benefits and Payments Upon Termination				
Cash Payment	\$ 4,562,500 ⁽¹⁾	\$ 1,430,000	\$ 1,430,000	\$ 5,005,000 ⁽⁴⁾
Equity Vesting ⁽²⁾	n/a	n/a	n/a	\$ 1,239,060
Medical and Welfare Plan Coverage ⁽³⁾	\$ 10,905	\$ 4,682	\$ 10,905	\$ 37,005
Transportation Allowance	n/a	n/a	n/a	\$ 33,000
Club Dues	n/a	n/a	n/a	\$ 58,500
Financial and Tax Planning Benefit	n/a	n/a	n/a	\$ 39,000
Outplacement	n/a	n/a	n/a	\$ 21,600
Excise Tax Gross-up	n/a	n/a	n/a	\$ 1,881,142
Total	\$ 4,573,405	\$ 1,434,682	\$ 1,440,905	\$ 8,314,307

(1) AMO has a severance pay policy that applies to all US based employees. If Mr. Mazzo was involuntarily terminated on 12/31/2006, he would have been eligible for 18 months of severance equal to \$1,072,500 based on his seniority, were it not for his employment agreement.

(2) Represents the in-the-money value of stock options accelerated by virtue of a change in control and the market value of restricted stock vested by virtue of a change in control, assuming an acquisition deal price of \$35.20. Options held in a trust are assumed to be attributable to the executive. All option and restricted stock holders would be entitled to vesting on the same terms, except that the employment agreement allows the executive the full term to exercise stock options, whereas other option holders generally have 90 days after termination of employment to exercise their vested options.

(3) Represents AMO's expense in providing benefits. The 12 month coverage stipulated in the employment agreement is lower than Mr. Mazzo would receive through AMO's regular severance program (up to 18 months).

(4) Absent the employment agreement, the amount payable under standard AMO plans would be \$1,787,500.

Mr. Meier

	Termination by AMO Without Cause or by the NEO for Good Reason	Termination as a Result of Death	Termination as a Result of Disability	Termination by AMO Without Cause or by NEO for Good Reason (Change in Control)
Executive Benefits and Payments Upon Termination				
Cash Payment	\$ 1,942,250 ⁽¹⁾	\$ 799,750	\$ 799,750	\$ 2,742,000 ⁽⁴⁾
Equity Vesting ⁽²⁾	n/a	n/a	n/a	482,788

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Medical and Welfare Plan Coverage ⁽³⁾	10,905	4,682	10,905	37,005
Transportation Allowance	n/a	n/a	n/a	33,000
Club Dues	n/a	n/a	n/a	37,620
Financial and Tax Planning Benefit	n/a	n/a	n/a	25,080
Outplacement	n/a	n/a	n/a	21,600
Excise Tax Gross-up	n/a	n/a	n/a	1,279,826
Total	\$ 1,953,155	\$ 804,432	\$ 810,655	\$ 4,658,919

Table of Contents

- (1) AMO has a severance pay policy that applies to all US based employees. If Mr. Meier was involuntarily terminated on 12/31/2006, he would have been eligible for eight months of severance equal to \$304,667 based on his seniority, were it not for his employment agreement.
- (2) Represents the in-the-money value of stock options accelerated by virtue of a change in control and the market value of restricted stock vested by virtue of a change in control, assuming an acquisition deal price of \$35.20. Options held in a trust are assumed to be attributable to the executive. All option and restricted stock holders would be entitled to vesting on the same terms, except that the employment agreement allows the executive the full term to exercise stock options, whereas other option holders generally have 90 days after termination of employment to exercise their vested options.
- (3) Represents AMO's expense in providing benefits.
- (4) Absent the employment agreement, the amount payable under standard AMO plans would be \$647,417.

Dr. Heidrich

	Termination by AMO Without Cause or by the NEO for Good Reason	Termination as a Result of Death	Termination as a Result of Disability	Termination by AMO Without Cause or by NEO for Good Reason (Change in Control)
Executive Benefits and Payments Upon Termination				
Cash Payment ⁽¹⁾⁽⁶⁾	\$ 1,738,450	\$ 738,246	\$ 738,246	\$ 2,326,086
Equity Vesting ⁽²⁾	n/a	n/a	n/a	330,181
Medical and Welfare Plan Coverage ⁽³⁾	10,289	10,289	10,289	30,867
Transportation Allowance ⁽⁴⁾	n/a	n/a	n/a	105,210
Club Dues	n/a	n/a	n/a	n/a
Financial and Tax Planning Benefit	n/a	n/a	n/a	n/a
Outplacement	n/a	n/a	n/a	21,600
Excise Tax Gross-up ⁽⁵⁾	n/a	n/a	n/a	n/a
Total	\$ 1,748,739	\$ 748,535	\$ 748,535	\$ 2,813,944

- (1) Dr. Heidrich's salary data has been converted to U.S. dollars from euros using the currency conversion average rate for calendar year 2006 (1.25622).
- (2) Represents the in-the-money value of stock options accelerated by virtue of a change in control and the market value of restricted stock vested by virtue of a change in control, assuming an acquisition deal price of \$35.20. Options held in a trust are assumed to be attributable to the executive. All option and restricted stock holders would be entitled to vesting on the same terms, except that the employment agreement allows the executive the full term to exercise stock options, whereas other option holders generally have 90 days after termination of employment to exercise their vested options.
- (3) Represents AMO's expense in providing benefits.

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

- (4) Annual estimate based on AMO s 2006 cost of car lease, insurance and car taxes.
- (5) Dr. Heidrich is not eligible for excise tax gross-up as he is based in Germany and is not generally subject to US taxes.
- (6) Base amount is determined over five year period prior to estimated change in control date, and average exchange rate for each calendar year is used.

Table of Contents**Mr. Trenary**

	Termination by AMO Without Cause or by the NEO for Good Reason	Termination as a Result of Death	Termination as a Result of Disability	Termination by AMO Without Cause or by NEO for Good Reason (Change in Control)
Executive Benefits and Payments Upon Termination				
Cash Payment	\$ 1,259,250 ⁽¹⁾	\$ 534,570	\$ 534,570	\$ 1,794,000 ⁽⁴⁾
Equity Vesting ⁽²⁾	n/a	n/a	n/a	322,085
Medical and Welfare Plan Coverage ⁽³⁾	10,127	4,682	10,127	34,670
Transportation Allowance	n/a	n/a	n/a	33,000
Club Dues	n/a	n/a	n/a	27,450
Financial and Tax Planning Benefit	n/a	n/a	n/a	19,200
Outplacement	n/a	n/a	n/a	21,600
Excise Tax Gross-up	n/a	n/a	n/a	799,770
Total	\$ 1,269,377	\$ 539,432	\$ 544,877	\$ 3,051,775

(1) AMO has a severance pay policy that applies to all US based employees. If Mr. Trenary was involuntarily terminated on 12/31/2006, he would have been eligible for 17 months of severance equal to \$488,750 based on his seniority, were it not for his employment agreement.

(2) Represents the in-the-money value of stock options accelerated by virtue of a change in control and the market value of restricted stock vested by virtue of a change in control, assuming an acquisition deal price of \$35.20. Options held in a trust are assumed to be attributable to the executive. All option and restricted stock holders would be entitled to vesting on the same terms, except that the employment agreement allows the executive the full term to exercise stock options, whereas other option holders generally have 90 days after termination of employment to exercise their vested options.

(3) Represents AMO's expense in providing benefits. The 12 month coverage stipulated in the employment agreement is lower than Mr. Trenary would receive through AMO's regular severance program (up to 17 months).

(4) Absent the employment agreement, the amount payable under standard AMO plans would be \$678,500.

Ms. Rady

	Termination by AMO Without Cause or by the NEO for Good Reason	Termination as a Result of Death	Termination as a Result of Disability	Termination by AMO Without Cause or by NEO for Good Reason (Change in Control)
Executive Benefits and Payments Upon Termination				
Cash Payment	\$ 1,055,250 ⁽¹⁾	\$ 456,750	\$ 456,750	\$ 1,512,000 ⁽⁴⁾
Equity Vesting ⁽²⁾	n/a	n/a	n/a	322,733
Medical and Welfare Plan Coverage ⁽³⁾	8,380	3,745	8,380	29,428

Edgar Filing: BIOGEN IDEC INC. - Form PRRN14A

Transportation Allowance	n/a	n/a	n/a	33,000
Club Dues	n/a	n/a	n/a	27,450
Financial and Tax Planning Benefit	n/a	n/a	n/a	19,200
Outplacement	n/a	n/a	n/a	21,600
Excise Tax Gross-up	n/a	n/a	n/a	611,232
Total	\$ 1,063,630	\$ 460,495	\$ 465,130	\$ 2,576,643

Table of Contents

- (1) AMO has a severance pay policy that applies to all US based employees. If Ms. Rady was involuntarily terminated on 12/31/2006, she would have been eligible for eight months of severance equal to \$210,000 based on her seniority, were it not for her employment agreement.
- (2) Represents the in-the-money value of stock options accelerated by virtue of a change in control and the market value of restricted stock vested by virtue of a change in control, assuming an acquisition deal price of \$35.20. Options held in a trust are assumed to be attributable to the executive. All option and restricted stock holders would be entitled to vesting on the same terms, except that the employment agreement allows the executive the full term to exercise stock options, whereas other option holders generally have 90 days after termination of employment to exercise their vested options.
- (3) Represents AMO's expense in providing benefits.
- (4) Absent the employment agreement, the amount payable under standard AMO plans would be \$351,750.

Compensation Committee Interlocks and Insider Participation

No member of our Organization, Compensation and Corporate Governance Committee is a current or former officer or employee of AMO or any of our subsidiaries. None of our executive officers serve on the board of directors or compensation committee of any entity that has one or more executive officers serving as members of our board of directors or Organization, Compensation and Corporate Governance Committee.

Equity Compensation Plans Approved by Stockholders

At the time of our spin-off in 2002, all of our equity compensation plans were approved by Allergan, Inc., as our sole stockholder, and our public stockholders also approved the 2002 Incentive Compensation Plan at the 2003 Annual Meeting of Stockholders. Subsequent to our spin-off, all new equity compensation plans and all material equity compensation plan amendments have been approved by our stockholders. With our May 2005 acquisition of VISX, Incorporated, we assumed several equity compensation plans. One such VISX plan with options outstanding at year end had not been approved by the VISX stockholders, but no further shares are available for grant under this plan.

The following table sets forth, for each of our equity compensation plans, the number of outstanding option grants and the number of shares remaining available for issuance as of the end of fiscal 2006.

Equity Compensation Plan Information

Category of Plan	Number of Securities to be Issued Upon Exercise of Outstanding Options ⁽¹⁾	Weighted Average Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans ⁽²⁾
Equity Compensation Plans Approved by Security Holders	7,436,379	\$ 25.2524	3,874,272
Equity Compensation Plans Not Approved by Security Holders ⁽³⁾	191,420	\$ 21.2874	0
Total	7,627,799	\$ 25.1529	3,874,272

- (1) Includes options which remain outstanding under our equity incentive plans, 1,004,072 of which were issued upon conversion of Allergan, Inc. stock options as a consequence of our spin-off in 2002 and were outstanding at year-end, and 1,584,247 of which were issued upon conversion of VISX, Incorporated stock options upon completion of our acquisition of VISX in 2005 and were outstanding at year-end. Does not include an aggregate of 338,422 shares of restricted stock and restricted stock units issued under our 2002 and 2005 Incentive Compensation Plans.

Table of Contents

- (2) Includes 973,262 shares currently authorized for issuance, in the aggregate, under our 2002 Employee Stock Purchase Plan, as amended, and under our 2002 International Stock Purchase Plan, as amended. As amended in 2005, these plans contain evergreen features which provide that each year on November 1 (through November 1, 2014), the number of authorized shares (for both plans, on an aggregate basis) increases by the lesser of 400,000 shares or 1% of our shares of common stock outstanding. Also includes 143,575 shares authorized for issuance under our Irish Savings Related Share Option Scheme and 150,000 shares authorized for issuance under our AMO (Ireland) Share Participation Scheme. All of such shares have been registered with the SEC. Does not include an aggregate of 338,422 shares of restricted stock issued under our 2002 and 2005 Incentive Compensation Plans.
- (3) The VISX, Incorporated 2001 Nonstatutory Stock Option Plan, under which stock options remain outstanding, had not been approved by the stockholders of VISX prior to our acquisition of VISX, Incorporated in May 2005.

Table of Contents

REPORT OF THE AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee (the AFC) of the board of directors of Advanced Medical Optics, Inc. issues the following report for inclusion in the company's proxy statement in connection with the company's annual meeting scheduled for May 22, 2007.

1. The AFC has reviewed and discussed the audited financial statements for the year ending December 31, 2006, with management of the company and with the company's independent auditors, PricewaterhouseCoopers LLP.
2. The AFC has discussed those matters required by Statement on Auditing Standards No. 61 with PricewaterhouseCoopers LLP.
3. The AFC has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, confirming PricewaterhouseCoopers' independence, and has discussed with the independent auditors the auditors' independence from the company and its management (including whether the independent auditors' provision of information technology services, if any, and other non-audit services to the company is compatible with the auditors' independence).
4. After the discussions referenced in paragraphs 1 through 3 above, the AFC recommended to the board of directors that the audited financial statements for the fiscal year ending December 31, 2006 be included or incorporated by reference in the Annual Report on Form 10-K for that fiscal year for filing with the Securities and Exchange Commission.

Audit and Finance Committee

James O. Rollans, Chairman

William J. Link, Ph.D.

Deborah J. Neff

Table of Contents

ADDITIONAL INFORMATION

Other Business

We do not expect any business to come up for stockholder vote at the meeting other than the items described in this booklet. If other business is properly raised, your proxy card authorizes the proxy holders to vote as they deem appropriate. The company's Bylaws contain provisions regarding matters which may properly be brought before the stockholders at an annual meeting. The most recently revised Bylaws were filed as Exhibit 3.2 to the company's Form 10 filed with the Securities and Exchange Commission.

Stockholder Proposals for Next Year

In order to be eligible for inclusion in the company's proxy materials for next year's annual meeting of stockholders, any stockholder proposal (including the submission of nominees for directors) must be received by the company to the attention of the Secretary at its principal executive offices not later than the close of business on December 21, 2007. Stockholder proposals and nominations received by the company between January 25, 2008 and February 24, 2008 may also be considered at next year's annual meeting of stockholders but may not be included in the proxy materials for next year's annual meeting of stockholders.

How We Solicit Proxies

Advanced Medical Optics pays the costs of soliciting proxies. In addition to this mailing, the company may solicit proxies personally, electronically or by telephone. We also reimburse brokers and other nominees for their expenses in sending these materials to you and getting your voting instructions.

People Needing Special Assistance

If you plan to attend the annual meeting, we can provide reasonable assistance to help you participate in the meeting if you let us know in advance. Please call or write our Investor Relations department at least two weeks before the meeting at the number or address under **Questions?** below.

Annual Report

The summary Annual Report to Stockholders for the year ended December 31, 2006 accompanies the proxy material being mailed to all stockholders. The Annual Report is not a part of the proxy solicitation material.

Questions?

If you have questions or need more information about the annual meeting, write to the

Investor Relations Department

Advanced Medical Optics, Inc.

1700 E. St. Andrew Place

Santa Ana, California 92705

or call us at (714) 247-8200.

For additional information about the company, we invite you to visit Advanced Medical Optics, Inc.'s Internet site at www.amo-inc.com. Internet site materials are for your general information and are not part of this proxy solicitation. According to rules of the Securities and Exchange Commission (SEC), the information presented in this proxy statement under the captions **Report of the Organization, Compensation and Corporate Governance Committee**, and **Report of the Audit and Finance Committee** shall not be deemed to be soliciting material or to be filed with the SEC under the Securities Act of 1933 or the Securities Exchange Act of 1934, and nothing contained in any previous filings made by the company under the aforementioned Acts shall be interpreted as incorporating by reference the information presented under the specified

captions.

YOUR VOTE IS VERY IMPORTANT! Please vote by calling the toll-free number set forth on your proxy card, voting by Internet or by signing and promptly returning your proxy card in the enclosed envelope.

Table of Contents

Table of Contents

Table of Contents

Table of Contents

Table of Contents

Table of Contents