Biogen Idec to Acquire Fumapharm AG; Consolidates Ownership of Oral Compound BG-12 Being Studied for Multiple Sclerosis

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May 31, 2006 07:00 AM Eastern Daylight Time

CAMBRIDGE, Mass. and LUCERNE, Switzerland--(BUSINESS WIRE)--May 31, 2006--Biogen Idec (NASDAQ: BIIB) and Fumapharm AG, a privately held pharmaceutical company, today announced that they have signed a definitive agreement for the acquisition of Fumapharm by Biogen Idec.

Fumapharm AG, founded in Switzerland in 1983, develops therapeutics derived from fumaric acid esters for patients with high unmet medical need. The company has two products: FUMADERM(R), a commercial product available in Germany for the treatment of psoriasis, and BG-12, a clinical-stage product that has been jointly developed with Biogen Idec. BG-12, an oral fumarate, is being studied for the treatment of multiple sclerosis (MS) and psoriasis.

"This acquisition supports our goal of developing innovative therapeutic options for people living with MS," said James C. Mullen, Biogen Idec's President and Chief Executive Officer. "We look forward to continuing the development of BG-12, a promising oral compound in MS, as well as expanding our European operations by working with Fumapharm's existing partners to provide FUMADERM to psoriasis patients in Germany."

On May 30, 2006, Biogen Idec and Fumapharm announced positive results from a Phase II study designed to evaluate the efficacy and safety of BG-12 in patients with relapsing-remitting MS. The study achieved its primary endpoint, demonstrating that treatment with BG-12 led to a statistically significant reduction in the total number of gadolinium-enhancing brain lesions as measured by MRI with six months of treatment versus placebo.

"Biogen Idec is perfectly positioned to continue the development of BG-12 because of its global commercial and regulatory experience and unsurpassed expertise in MS. We are proud of the work that Fumapharm has accomplished in the last 20 years and are confident that Biogen Idec will continue our legacy of helping patients," said Dr. Hans Peter Strebel, Chairman and CEO of Fumapharm.

The transaction, which has been approved by the boards of directors of both companies and is subject to customary closing conditions, is expected to close within the next two months. Upon completion, Biogen Idec will acquire all of the

About BG-12

In October 2003, Biogen Idec licensed certain exclusive worldwide rights to develop and market BG-12, oral fumarate derivative with an immunomodulatory mechanism of action, from Fumapharm. Biogen Idec and Fumapharm are evaluating BG-12 in a range of diseases, including MS and psoriasis. In April 2005, the companies announced that the primary endpoint was met in a Phase III study designed to evaluate the efficacy and safety of BG-12 in the treatment of moderate to severe psoriasis.

In the Phase II MS study, the most commonly reported adverse events were flushing, gastrointestinal disorders, headache, and nasopharyngitis. Liver enzyme elevations were reported in 2% to 8% of the active treatment groups, compared to 5% in the placebo group. Infection rates were balanced.

About Fumapharm AG and FUMADERM

Fumapharm is a privately held pharmaceutical company headquartered in Lucerne, Switzerland. For more information, please visit http://www.fumapharm.ch.

FUMADERM, an oral product containing fumaric acid esters, was approved in Germany in 1994 where it is the leading prescription for oral systemic treatment of severe psoriasis. Fumedica GmbH distributes FUMADERM in Germany.

About Biogen Idec

Biogen Idec creates new standards of care in oncology, neurology and immunology. As a global leader in the development, manufacturing, and commercialization of novel therapies, Biogen Idec transforms scientific discoveries into advances in human healthcare. For product labeling, press releases and additional information about the company, please visit www.biogenidec.com.

Biogen Idec Safe Harbor

This press release contains forward-looking statements regarding the acquisition of Fumapharm, the development of BG-12, and the availability of FUMADERM. These statements are based on the companies' current beliefs and expectations. Drug development involves a high degree of risk. Factors which could cause actual results to differ materially from the companies' current expectations include the risk that unexpected concerns may arise from additional data or analysis; that regulatory authorities may require additional information, further studies, or may fail to approve the drug; the impact of competitive products on the company's products, a change in market acceptance of FUMADERM; and that the company may encounter other unexpected hurdles. For more detailed information on the risks and uncertainties associated with Biogen Idec's drug development and other activities, see the section entitled "Risk Factors" in Biogen Idec's annual report on form 10-K for the fiscal year ended December 31, 2005 that was filed with the Securities and Exchange Commission, as well as the other periodic and current reports of Biogen Idec filed with the Securities and Exchange Commission. Biogen Idec assumes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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