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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2006

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number: 0-19311

Biogen Idec Inc.

(Exact name of registrant as specified in its charter)

Delaware	**33-0112644**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
14 Cambridge Center, Cambridge, Massachusetts	**02142**
(Address of principal executive offices)	*(Zip code)*

(Registrant's telephone number, including area code)
(617) 679-2000

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $0.0005 par value and Series X Junior Participating Preferred Stock Purchase Rights
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.. Yes ☐ No ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☑

The aggregate market value of the Registrant's Common Stock held by non-affiliates of the Registrant (without admitting that any person whose shares are not included in such calculation is an affiliate) computed by reference to the price at which the common stock was last sold as of the last business day of the Registrant's most recently completed second fiscal quarter was $15,836,264,111.

As of February 15, 2007, the Registrant had 342,436,836 shares of Common Stock, $0.0005 par value, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for our 2007 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

BIOGEN IDEC INC.

ANNUAL REPORT ON FORM 10-K

For the Year Ended December 31, 2006

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PART I

Item 1. *Business*

Overview

Biogen Idec creates new standards of care in oncology, neurology, immunology and other specialty areas of unmet medical need. As a global leader in the development, manufacturing, and commercialization of novel therapies, we transform scientific discoveries into advances in human healthcare. We currently have five products:

AVONEX® (interferon beta-1a)

AVONEX is approved worldwide for the treatment of relapsing forms of multiple sclerosis, or MS, and is the most prescribed therapeutic product in MS worldwide. Globally over 135,000 patients use AVONEX.

RITUXAN® (rituximab)

RITUXAN is approved worldwide for the treatment of relapsed or refractory low-grade or follicular, CD20-positive, B-cell non-Hodgkin's lymphomas, or B-cell NHLs. In 2006, the U.S. Food and Drug Administration, or FDA, approved RITUXAN for three additional uses in NHL. We believe that RITUXAN is the top-selling oncology therapeutic in the United States and has had more than 960,000 patient exposures worldwide. In addition, in February 2006, the FDA approved the RITUXAN supplemental Biologics License Application, or sBLA, for use of RITUXAN, in combination with methotrexate, for reducing signs and symptoms in adult patients with moderately-to-severely active rheumatoid arthritis, or RA, who have had an inadequate response to one or more tumor necrosis factor, or TNF, antagonist therapies. We are working with Genentech and Roche on the development of RITUXAN in additional oncology and other indications.

RITUXAN is the trade name for the compound rituximab in the U.S., Canada and Japan. MabThera is the trade name for rituximab in the European Union, or EU. In this Annual Report, we refer to rituximab, RITUXAN, and MabThera collectively as RITUXAN, except where we have otherwise indicated.

TYSABRI® (natalizumab)

TYSABRI is approved for the treatment of relapsing forms of MS. Under the terms of a collaboration agreement with Elan Corporation plc, or Elan, we are solely responsible for the manufacture of TYSABRI, and we collaborate with Elan on the product's marketing, commercial distribution and on-going development activities. The collaboration agreement with Elan is designed to effect an equal sharing of profits and losses generated by the activities of the collaboration between Elan and us.

ZEVALIN® (ibritumomab tiuxetan)

The ZEVALIN therapeutic regimen, which features the ZEVALIN antibody, is a radioimmunotherapy that is approved for the treatment of patients with relapsed or refractory low-grade, follicular, or transformed B-cell NHL, including patients with RITUXAN refractory NHL. During the third quarter of 2006, we began executing a plan to divest our ZEVALIN product line.

FUMADERM® (dimethylfumarate and monoethylfumarate salts)

FUMADERM was acquired with the purchase of Fumapharm AG, or Fumapharm, in June 2006. FUMADERM acts as an immunomudulator and has been approved in Germany for the treatment of severe psoriasis since 1994.

Other Revenue and Programs

In 2006, we recorded product revenues from sales of *AMEVIVE® (alefacept)* prior to our sale of this product line in April 2006. AMEVIVE is approved in the U.S. and other countries for the treatment of adult patients with moderate-to-severe chronic plaque psoriasis who are candidates for systemic therapy or phototherapy.

We also receive royalty revenues on sales by our licensees of a number of products covered under patents that we control. In addition, we have a pipeline of research and development products in our core therapeutic areas and in other areas of interest.

We devote significant resources to internal research and development programs, and intend to commit significant additional resources to external research and development opportunities. We intend to focus our research and development efforts on finding novel therapeutics in areas of high unmet medical need, both within our current focus areas of oncology, neurology and immunology as well as in new therapeutic areas. Our current late stage efforts include our collaboration with Elan on the development of TYSABRI as a potential treatment for Crohn's disease; our work with Genentech and Roche on the development of RITUXAN in additional oncology indications, RA, MS and lupus and the co-development of additional anti-CD-20 antibody products: BG-12 for relapsing forms of MS in Phase III; galiximab for NHL in Phase III; and lumiliximab for chronic lymphocytic leukemia, or CLL, in Phase IIb and our collaboration with PDL BioPharma, Inc., or PDL, on development of two Phase II antibody products in a variety of indications.

Merger

On November 12, 2003, Bridges Merger Corporation, a wholly owned subsidiary of IDEC Pharmaceuticals Corporation, was merged with and into Biogen, Inc. with Biogen, Inc. continuing as the surviving corporation and a wholly owned subsidiary of IDEC Pharmaceuticals Corporation. At the same time, IDEC Pharmaceuticals Corporation changed its name to Biogen Idec Inc. The merger and name change were made under an Agreement and Plan of Merger dated as of June 20, 2003.

Available Information

We are a Delaware corporation with principal executive offices located at 14 Cambridge Center, Cambridge, Massachusetts 02142. Our telephone number is (617) 679-2000 and our website address is www.biogenidec.com. We make available free of charge through the Investor Relations section of our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission, or the SEC. We include our website address in this Annual Report on Form 10-K only as an inactive textual reference and do not intend it to be an active link to our website. You may read and copy materials we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may get information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

Our Products — Approved Indications and Ongoing Development

Our products are targeted to address a variety of key medical needs in the areas of oncology, neurology, and immunology. Our marketed products and late stage product candidates are as follows:

Product	Product Indications	Status	Development and/or Marketing Collaborators
AVONEX	Relapsing forms of MS	Approved — numerous countries worldwide	None
RITUXAN	Certain B-cell NHLs	Approved — numerous countries worldwide	*All RITUXAN Indications:* U.S. — Genentech Japan — Roche and Zenyaku Outside U.S. and Japan — Roche
	Rheumatoid arthritis	Approved — U.S. for anti-TNF-inadequate responders	See above
		Phase III — DMARD inadequate responders	See above
	Relapsed CLL	Phase III	See above
	Lupus	Phase II/III	Genentech
	MS	Phase II/III	See above, except for PPMS indication which is only Genentech
ZEVALIN	Certain B-cell NHLs (radioimmunotherapy)	Approved — U.S. and E.U.	Outside U.S. — Schering AG
	Diffuse large B-cell lymphoma	Phase III	See above
TYSABRI	Relapsing forms of MS	Approved — U.S. and E.U.	Elan
	Crohn's disease	Regulatory review — U.S. and E.U.	See above
FUMADERM	Severe psoriasis	Approved — Germany	Fumedica
BG-12	MS	Phase III	None
	Psoriasis	Phase III completed	None
Anti-CD80 MAb/ galiximab	Relapsed or refractory NHL	Phase III	None
Anti-CD23 MAb/lumiliximab	Relapsed or refractory CLL	Phase IIb	None

AVONEX

We currently market and sell AVONEX worldwide for the treatment of relapsing forms of MS. In 2006, sales of AVONEX generated worldwide revenues of $1.7 billion as compared to worldwide revenues of $1.5 billion in 2005.

MS is a progressive neurological disease in which the body loses the ability to transmit messages along nerve cells, leading to a loss of muscle control, paralysis and, in some cases, death. Patients with active relapsing MS experience an uneven pattern of disease progression characterized by periods of stability that are interrupted by flare-ups of the disease after which the patient returns to a new baseline of functioning. AVONEX is a recombinant form of a protein produced in the body by fibroblast cells in response to viral infection. AVONEX has been shown in clinical trials in relapsing forms of MS both to slow the accumulation of disability and to reduce the frequency of flare-ups. AVONEX is approved to treat relapsing forms of MS, including patients with a first clinical episode and MRI features consistent with MS. Biogen, Inc. began selling AVONEX in the U.S. in 1996, and in the EU in 1997. AVONEX is on the market in 70 countries. Based on data from an independent third party research organization, information from our distributors and internal analysis, we believe that AVONEX is the most prescribed therapeutic product for the treatment of MS worldwide. Globally over 135,000 patients use AVONEX.

We continue to work to expand the data available about AVONEX and MS treatments. In September 2006, we presented at the European Committee for Treatment and Research in Multiple Sclerosis, or ECTRIMS, Congress results from the Global Adherence Project, or GAP, the largest multi-national study of its kind to date to evaluate patient adherence to long-term treatments for MS in a real-world setting. GAP is a global multi-center, cross-sectional observational study that investigated factors that influence non-adherence to MS therapies. The study enrolled 2,566 patients with relapsing remitting MS at 176 sites in 22 countries taking one of the following therapies: AVONEX, Betaseron® (Interferon beta-1b), Copaxone® (glatiramer acetate), or Rebif® (Interferon beta-1a). Patients were evaluated through a validated MS quality of life scale, as well as a self-reported questionnaire that collected data on disease status, treatment, and factors that may have affected adherence to treatment during the

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.