

2017 ANNUAL REPORT

PIONEERING THE FUTURE OF NEUROSCIENCE



40
YEARS

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About the Cover

Left: Ankur is Senior Associate Scientist, Neurology Research at Biogen

Right: Erin is Associate Director, Pharmaceutical Development, Pharmaceutical Operations & Technology (PO&T) and Albert is Principal Scientist, Pharmaceutical Development, PO&T at Biogen

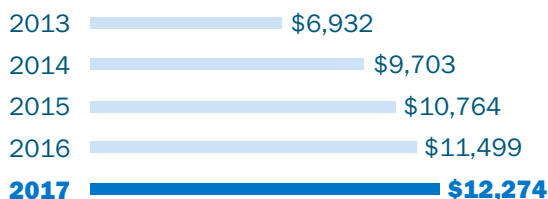
About the Graphic Artwork

The artwork highlighted in the report was submitted by Biogen's R&D team as part of our annual R&D (Research and Development) Art contest. Each image reflects

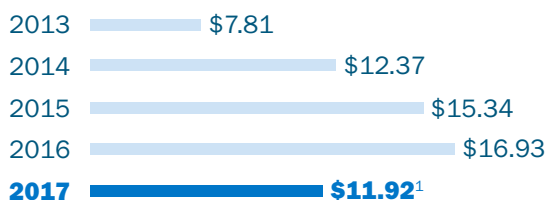
FINANCIAL PERFORMANCE

REVENUES

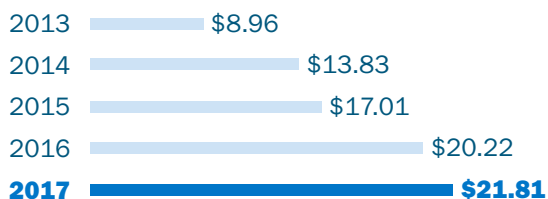
\$ in millions



GAAP DILUTED EPS

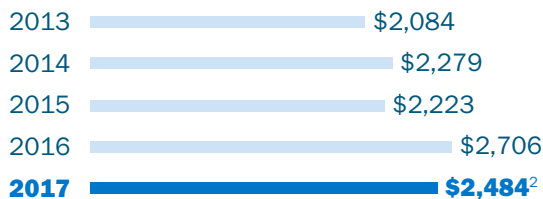


NON-GAAP DILUTED EPS*



FREE CASH FLOW*

\$ in millions



¹ "GAAP diluted EPS" for 2017 reflects the impact of The Tax Cuts and Jobs Act of 2017 and higher costs associated with our external business development activities, including our agreements with Bristol-Myers Squibb Company, Ionis Pharmaceuticals Inc., Neurimmune Subone AG and Alkermes Pharma Ireland Limited, a subsidiary of Alkermes plc.

² "Free Cash Flow*" for 2017 reflects an increase in capital expenditures related to the construction of our large-scale biologics manufacturing facility in Solothurn, Switzerland.

*"Non-GAAP diluted EPS" and "Free Cash Flow" are Non-GAAP financial measures. A reconciliation of GAAP to Non-GAAP diluted EPS and Free Cash Flow amounts is set forth on pages 18-20 of this Annual Report.

MICHEL VOUNATSOS
CHIEF EXECUTIVE OFFICER



DEAR FELLOW SHAREHOLDERS:

I am honored and humbled to write to you as the CEO of Biogen as we celebrate our 40th anniversary in 2018. One of the world's first global biotechnology companies, we were founded in 1978 by Charles Weissmann, Heinz Schaller, Kenneth Murray and Nobel Prize winners Walter Gilbert and Phillip Sharp.

OUR FOUNDERS' guiding principles and leadership in innovative scientific research have sustained at Biogen to this day. Over the past decade, we have been devoted to defeating devastating neurological diseases. Biogen has established a 20-year foundation in multiple sclerosis (MS) treatment and, most recently, pioneered a treatment for spinal muscular atrophy (SMA).

2018 is a remarkable time to lead a company at the forefront of neuroscience. We believe no other disease area holds as much need or as much promise for medical breakthroughs as neuroscience. Neurological disorders affect approximately one billion people, are the leading cause of disability and are the number two cause of death worldwide, second only to cardiovascular disease.

We believe that Biogen is uniquely positioned as a global leader in neuroscience to take on this enormous challenge. In 2017 we declared our goal to become the global leader in neuroscience by developing transformational therapies to address what we believe are becoming the world's most significant unmet medical needs.

Our strategy is simple: Leverage a strong core business to help drive future growth. Our first three strategic priorities focus on fortifying our core business – **this is Biogen today**:

- Maximizing the resilience of our core multiple sclerosis (MS) business to drive earnings and cash flow
- Accelerating our progress in spinal muscular atrophy (SMA) as we shift towards new growth opportunities
- Creating a leaner and simpler operating model

For the Biogen of tomorrow, we will build upon our core business and a leaner and simpler operating model to create new sources of value through:

- Developing and expanding our neuroscience portfolio to create the future growth engines of Biogen
- Re-prioritizing our capital allocation efforts to continue to maximize shareholder value, with an increased focus on investment for future growth

We are pleased with the work we have done to execute on our strategy, which we believe has led to significant progress for Biogen. We know our work is not finished and we remain committed to our longer-term goal of becoming the leader in neuroscience and the fastest-growing large cap biotech company.

~1b
PEOPLE
SUFFER FROM
NEUROLOGICAL
DISORDERS
WORLDWIDE



12
LIFE-CHANGING
MEDICINES

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