IDEC PHARMACEUTICALS CORP / DE
Form 425
June 24, 2003

Filed by IDEC Pharmaceuticals Corporation
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
under the Securities Exchange Act of 1934
Subject Company: IDEC Pharmaceuticals Corporation
Commission File No. 0-19311

This filing relates to the proposed merger-of-equals transaction pursuant to the terms of that certain Agreement and Plan of Merger, dated as of June 20, 2003 (the "Merger Agreement"), by and among IDEC Pharmaceuticals Corporation ("IDEC"), Bridges Merger Corporation, a wholly owned subsidiary of IDEC, and Biogen, Inc. ("Biogen"). The Merger Agreement is on file with the U.S. Securities and Exchange Commission as an exhibit to the Current Report on Form 8-K filed by each of Biogen and IDEC on June 23, 2003, and is incorporated by reference into this filing.

The following is a slide set to be used in presentations given by the Company's management to the investment community. The materials are also available on the Company's website, www.idecpharm.com

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Additional Information and Where to Find It

IDEC Pharmaceuticals Corporation intends to file with the Securities and Exchange Commission a registration statement on Form S-4 that will include a joint proxy statement/prospectus of Biogen, Inc. and IDEC and other relevant documents in connection with the proposed transaction. Investors and security holders of Biogen and IDEC are urged to read the joint proxy statement/prospectus and other relevant materials when they become available because they will contain important information about IDEC, Biogen and the proposed transaction. Investors and security holders may obtain a free copy of these materials (when they are available) and other documents filed with the Securities and Exchange Commission at the SEC s website at www.sec.gov. A free copy of the joint proxy statement/prospectus when it becomes available may also be

obtained from IDEC Pharmaceuticals Corporation, 3030 Callan Road, San Diego, CA 92121, Investor Relations, or from Biogen, Inc., Fourteen Cambridge Center, Cambridge, MA 02142, Investor Relations. In addition, investors and security holders may access copies of the documents filed with the SEC by IDEC on IDEC s website at www.idecpharm.com and investors and security holders may access copies of the documents filed with the SEC by Biogen on Biogen s website at www.biogen.com. IDEC, Biogen and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from their respective stockholders with respect to the proposed transaction. Information regarding the interests of these officers and directors in the proposed transaction will be included in the joint proxy statement/prospectus.

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BIOGEN IDEC INC.

Strategic Acceleration

Creating the Next Global Biotech Leader

Forward Looking Statement

This presentation contains forward-looking statements including statements regarding:

benefits of the proposed combination of Biogen, Inc. and IDEC Pharmaceuticals Corp.

integration plans and synergies

anticipated future financial and operating performance and results

expectations for our products and plans for pipeline growth

These statements are based on management s current expectations. There are a number of risks and uncertainties that could cause actual results to differ materially. For example:

We may be unable to obtain shareholder or regulatory approvals required for the merger.

Problems may arise in successfully integrating our businesses.

The merger may involve unexpected costs. We may be unable to achieve cost-cutting synergies.

Our businesses may suffer as a result of uncertainty surrounding the merger.

The market for our products may change or be impacted by competition, new data, supply issues or marketplace trends.

Technical, regulatory or manufacturing issues, new data or intellectual property disputes may affect our programs or we may encounter other difficulties in developing our pipeline or in gaining approval of new products.

For more detailed information on the risks and uncertainties associated with each company s business activities see our respective reports filed with the SEC. Neither company undertakes any obligation to publicly update its forward-looking statements, whether as a result of new information, future events, or otherwise.

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BIOGEN IDEC INC.

Strategic Acceleration

Fusion of Strengths

Scale and Breadth

Economic Acceleration

BIOGEN IDEC INC.
Strategic Acceleration

Fusion of Strengths

Global leader in fast-growing oncology and immunology therapeutic areas

#1 Blockbuster Products in MS and NHL

Amevive and Zevalin recently launched

10 products in clinical development

Process sciences and MFG leadership

Scale and Breadth

Economic Acceleration

BIOGEN IDEC INC.
Strategic Acceleration

Fusion of Strength

Scale and Breadth

Scientific excellence and scale in biologics R&D

#3 in Biotech R&D with over $550MM/yr invested

Leverage of global commercial and manufacturing infrastructure

Growth through internal discovery/development and strategic alliances

Experienced and deep management team

Economic Acceleration

BIOGEN IDEC INC.
Strategic Acceleration

Fusion of Strength

Scale and Breadth

Economic Acceleration

$1.9 billion revenue base (2003E)

20% YOY targeted earnings growth

Over $300MM planned Operating Expense synergies (04- 07 cumulative)

$1.5B net cash(1) position

Enhanced capital efficiency ROC/ROA

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*(1) **Net Cash Balances as of 31-Mar-2003***

A Values-Based Merger of Equals

BIOGEN		IDEC
Keep talent the priority, Value each individual, Operate a meritocracy	< >	**Draw strength from diverse groups and diverse levels throughout the corporation**
Communicate - obtain alignment and build teams	< >	**Team as a source of strength**
Face the facts	< >	**Truth, honesty, integrity and quality**
Make an impact	< >	**Zeal and commitment**
Embrace change	< >	**Growth, transformation and renewal**
See innovation as mandatory not optional	< >	**Creation of new standards of care**
Stay focused on those we serve	< >	**Commitment to our constituencies: patients, caregivers, shareholders, employees**

Deep, Experienced Executive Team with Complementary Backgrounds and Experience

Officer	Title	Years Experience at Biogen/IDEC	Total Years Experience	Background
William H. Rastetter	**Executive Chairman**	**16**	**21**	**IDEC: CEO; CFO; R&D, Operations, Finance Genentech: Research, Corporate Ventures**
James C. Mullen	**Chief Executive Officer**	**14**	**23**	**Biogen: CEO; COO; International SmithKline Beckman: Engineering and Manufacturing**
William R. Rohn	**Chief Operating Officer**	**11**	**38**	**IDEC: Commercial, Corporate Development Adria (Pharmacia), Abbott, Mead Johnson: S&M**
Peter N. Kellogg	**Chief Financial Officer**	**3**	**23**	**Biogen: CFO PepsiCo: Finance, International**
Nabil Hanna	**Chief Scientific Officer**	**14**	**30**	**IDEC: Research and Preclinical Development SmithKline Beecham: Immunology; NCI: Research**
Burt A. Adelman	**Chief Development Officer**	**12**	**23**	**Biogen: EVP, R&D; VP, Medical Research Harvard Medical School: Oncologist, Lecturer**

Levels of Investment

Strategic, Enabling, Supporting

Strategic	[GRAPHIC]	**Be the Best**
Enabling	[GRAPHIC]	**Be Timely & Be Low-Cost Producer**
Supporting	[GRAPHIC]	**Be Effective**

BIOGEN IDEC INC.

Strategic Acceleration

Fusion of Strengths

Scale and Breadth

Economic Acceleration

Merger-of-Equals

Built on Foundation of Strong Strategic Fit

BIOGEN

#1 MS product in Avonex

Strong follow-on anti-inflammatory products in Amevive and Antegren

A pioneer in leading edge research in immunology and neurobiology

Global sales and marketing capabilities

Established biologics manufacturing facilities

Strong financial position

$1,148MM 2002 revenue

$242MM 2002 operating net income

$771MM net cash(1)

$6,676MM market cap(2)

IDEC

#1 cancer therapeutic in U.S. in Rituxan

First-in-class radioimmuno-therapy - Zevalin

A leader in the discovery and development of novel oncology products

Strong track record of growth

Attractive early-stage product pipeline

Expertise in marketing oncology products

Strong financial position

$404MM 2002 revenue

$148MM 2002 earnings

$756MM net cash(1)

$6,977MM market cap(2)

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(1) ***Cash balance as of 31-Mar-2003. IDEC s debt balance as of 31-Mar-2003 excludes in-the-money convertible notes.***

(2) ***Fully diluted market capitalization as of 20-June-2003. Dilutive impact of options calculated using the treasury method. Includes conversion of IDEC in-the-money convertible debt and convertible preferred stock.***

Diversification of Revenue
Multiple Sources of Growth

[GRAPHIC]

At $1B, providing critical mass in revenue

New indications expected to drive significant growth into the future

1 year post-launch, moving earlier in the treatment paradigm - potential to displace chemotherapy

A compelling new biologic to treat psoriasis, launched in February

Powerful candidate to the immunology franchise targeted for 2005

Commercial Leverage Improved by
Combining Deep Pipelines to Fuel Growth

Autoimmune, Inflammation and Other

[CHART]

Oncology

[CHART]

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Combined R&D is a Powerful Engine
for Innovation, Discovery and Excellence

[CHART]

Source: Wall Street research for Amgen, Genentech, Chiron, Genzyme, Gilead and MedImmune. Biogen management estimates for Biogen and IDEC management estimates for IDEC.

Partner-of-Choice for BiologicS

Development, Manufacturing and Commercialization

Long-range Goal: Double our pipeline through partnerships by 2010

Therapeutic Breadth

Expertise

Capacity

Value-added Venture Capital

World Class

Process Sciences and Manufacturing

Capacity

90,000L commercial capacity on-line with 90,000L additional capacity scheduled for 2006

Clinical capacity in Cambridge, Oceanside, and RTP

Sufficient capacity for pipeline and external opportunities

Technology

Unsurpassed technology for mammalian-cell expression - high titer and high productivity

Low cost of production also from process sciences capability for cell culture and downstream processing

BIOGEN IDEC INC.

Creates Significant Leverage

More growth engines	>	**High growth potential**
Permits rapid expansion of pipeline	>	**Stronger, diversified pipeline**
Eliminates some cost and time associated with infrastrucre build	>	**Enhanced cash flow**
Better asset utilization	>	**Better ROA**

[GRAPHIC]

Creates More Shareholder Value

BIOGEN IDEC INC.
Strategic Acceleration

Fusion of Strength

Scale and Breadth

Economic Acceleration

Transaction Summary

Stock-for-Stock Exchange . . .. Tax-free Transaction

Combined market capitalization of $13.7 Billion(1)

1.15 IDEC Shares for each Biogen Share

On closing, all shareholders become holders of IDEC shares

Share Ownership (Fully Diluted)

IDEC 50.5%

Biogen 49.5%

Equal Board representation

Expected Closing: end Q3, early Q4 2003

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(1) ***As of market close on 6/20/03 on a fully diluted basis***

Financial Benefits

2 Companies, Equal Valuation... for Different Reasons

BIOGEN

Street Valuation Consensus

Operating Net Income 02:	**242**
LT Growth(1)	**12%**
P/E(2)	**22**
PEG	**1.9**

Net Income 02:	**148**
LT Growth(1)	**22%**
P/E	**30**
PEG	**1.4**

IDEC

Key Financial Benefits of the Merger

Acceleration of Growth

Revenue

EPS

Cash Flow Upsides

Leverage of infrastructure

Capital Spend Deferrals

Cash EPS Accretive in Year 1

Cash Flow Upsides

Acceleration of Capability, Infrastructure

...Economic Acceleration for Both Parties

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(1) IBES median as of 6/20/03

(2) IBES 2004 EFS estimate as of 6/30/03

Financial Benefits

Economic Acceleration

No upfront economic leakage

At market stock-for-stock exchange

No premium paid

All synergies benefit both shareholders

Early Cash synergies

Strategic acceleration

Infrastructure

Therapeutic breadth

DCF victory

Cash flow enhanced by $50+MM/yr.

Accounting Perspective

Economic Acceleration

Merger-of-equals . Yet, pooling no longer allowed

Significant intangibles in biotech Avonex, Amevive, royalties

Intangible amortization: $200 250MM per year

All Biogen shareholders become IDEC shareholders... our targets:

Cash EPS accretive by 15+% upon closing

GAAP EPS Accretive within 2 to 3 years

Synergies Increase Performance and Flexibility

Synergies

- **X** **Leverage Global Infrastructure**
- **X** **Reduce/defer Capital Expenditures**
- **X** **Avoid Duplicative Build-out: Mfg, Quality, SG&A**
- **X** **Improve Return on Assets, Return on Equity**

Value Delivery **In the P+L**	**Value Creation** **In the Pipeline**
Short Term Goals: Accretive 20% Cash EPS Growth	Long-term Goals: Organic Pipeline Partner-of-Choice Capability

Synergies Anticipated

Strategic	**[GRAPHIC]**	**Be the Best**
Enabling	**[GRAPHIC]**	**Be Timely $** **Be Low Cost Producer**
Supporting	**[GRAPHIC]**	**Be Effecttive**

Synergies (2004 2007)

Infrastructure leverage and saving

Organizational leverage

Over $300MM in Operating Expense savings

Over $175MM in Capital Expenditure savings

Over $50MM in Treasury/Tax benefits

20% Cash EPS growth

Reinvestment in Pipeline

Anticipated Synergies

(US$ in millions)

Operating Expense - Cumulative

[CHART]

Capital Expenditure - Cumulative

[CHART]

Economic Acceleration

Capital Markets Strength

Increased market cap broadens BIOGEN IDEC INC. appeal to large-cap investors

Increased standing in important indices (S&P 500, Russell 1000 and 3000 etc.)

(US$ in billions) **Fully-Diluted Market Cap as of 11-Jun-2003**

[CHART]

Economic Acceleration

Increasing Scale

(US$ in millions)

2002 Revenue(1)

[CHART]

2002 R&D(1)

[CHART]

2002 Net Profit(1)

[CHART]

Note: Number in parentheses represents ranking based on specific metric

(1) Source: 2002 Form-10K. Net profit excludes one-time charges and amortization of intangibles.

(2) Pro forma for the acquisition of Immunex.

(3) IDEC revenues are as reported by the company in which Rituxan profit sharing is recorded under revenues. Pro forma net profit excludes any synergies realized from the merger.

(4) Pro forma for the acquisition of Matrix Pharmaceuticals.

(5) Pro forma for the acquisition of Aviron.

(6) Pro forma for the acquisition of Triangle Pharmaceuticals.

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Building the Best of Breed Biotech

BIOGEN IDEC INC.

Very profitable

Synergies expected

Fully-built infrastructure

Stronger Cash Flow

Target: 20% Cash EPS growth

BIOGEN IDEC INC.

Strategic Acceleration

Fusion of Strengths

Scale and Breadth

Economic Acceleration

Focus on Integration

Integration Goal: Rapid and seamless post-closing unification of BIOGEN IDEC INC. on behalf of all constituencies patients, caregivers, investors, and employees

Both companies known for open communication and teamwork

Strong relationships already formed through oncology collaboration

Multidisciplinary Integration Planning Team led by executives that will accelerate progress

Personal commitment to success (from Bill Rastetter and Jim Mullen)

The Next Global Biotech Leader

[GRAPHIC]