Biogen Idec and Alnylam Form Alliance to Discover and Develop Therapeutics for the Potential Treatment of Progressive Multifocal Leukoencephalopathy (PML); Collaboration to Focus on RNAi Therapeutics Targeting the JC Virus

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Sept. 20, 2006--Biogen Idec (Nasdaq: BIIB) and Alnylam Pharmaceuticals, Inc. (Nasdaq: ALNY) announced today a collaboration to discover and develop RNAi therapeutics for the potential treatment of progressive multifocal leukoencephalopathy (PML). PML is caused by infection of the central nervous system with a virus called "JC virus" and can occur in certain immune-suppressed patients, including those receiving immunomodulatory therapies.

Alnylam and Biogen Idec will initially conduct investigative research into the potential of using RNAi technology to develop therapeutics to treat PML. Under terms of the collaboration, Biogen Idec will fund all research and development activities and Alnylam will receive an upfront payment of $5 million. In addition to this payment, assuming successful development and utilization of any product resulting from the collaboration, Alnylam would receive more than $51 million in milestone payments, and substantial undisclosed royalties and utilization fees.

"This innovative collaboration to explore using RNAi technology to develop therapeutics for the treatment of PML will build on our work to understand and manage this disease," said Al Sandrock, M.D., Ph.D., Senior Vice President, Neurology for Biogen Idec. "We are pleased to partner with Alnylam, a company that has demonstrated leading capabilities in the discovery and development of RNAi therapeutics, in this important undertaking."

"We believe this alliance demonstrates the power of RNAi as a drug discovery platform for new therapies that address life-threatening diseases, including those caused by viruses where there are no current treatments available," said John Maraganore, Ph.D., President and Chief Executive Officer of Alnylam. "We are excited about working with the team at Biogen Idec, and applying our scientific expertise and leading capabilities in developing novel RNAi therapeutics for this important medical need. This new alliance marks the industry's first RNAi therapeutic alliance with a top-tier biotechnology company and the sixth major partnership we have formed to date."

PML is an opportunistic viral infection of the brain that usually leads to death or severe disability. With RNAi technology, small interfering RNAs or siRNAs, the molecules that mediate RNAi, can be designed and optimized toward conserved regions of a viral genome to harness the cell's own capabilities to achieve an anti-viral therapeutic effect. RNAi therapeutic products are already in clinical and pre-clinical development for other viruses, notably programs led by Alnylam for respiratory syncytial virus (RSV) and influenza.

About RNA Interference (RNAi)
RNA interference, or RNAi, is a naturally occurring mechanism within cells for selectively silencing and regulating specific genes. Since many diseases are caused by the inappropriate activity of specific genes, the ability to silence genes selectively through RNAi could provide a new way to treat a wide range of human diseases. RNAi is induced by small, double-stranded RNA molecules. RNAi can be activated by chemically synthesized small interfering RNAs, or siRNAs, which are double-stranded RNAs that are targeted to a specific disease-associated gene. The siRNA molecules are used by the natural RNAi machinery in cells to cause highly targeted gene silencing. Alnylam's initial drug development programs are focused on Direct RNAi™ therapeutics which are siRNAs administered directly to diseased parts of the body. In parallel, the company is developing Systemic RNAi™ therapeutics that travel through the bloodstream to reach diseased parts of the body.

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.

About Alnylam
Alnylam is a biopharmaceutical company developing novel therapeutics based on RNA interference, or RNAi. The company is applying its therapeutic expertise in RNAi to address significant medical needs, many of which cannot effectively be addressed with small molecules or antibodies, the current major classes of drugs. Alnylam is building a pipeline of RNAi therapeutics; its lead program is in Phase I human clinical trials for the treatment of respiratory syncytial virus (RSV) infection, which is the leading cause of hospitalization in infants in the U.S. The company's leadership position in fundamental patents, technology, and know-how relating to RNAi has enabled it to form major alliances with leading companies including Merck, Medtronic, and Novartis. The company, founded in 2002, maintains global headquarters in Cambridge, Massachusetts, and has an additional

operating unit in Kulmbach, Germany. Alnylam is honored to be the "emerging/mid-cap" company recipient of the 2006 James D. Watson Helix Award, the biotechnology industry's award for outstanding corporate achievement. For more information, visit www.alnylam.com.

Biogen Idec Forward-Looking Statements
This press release contains forward-looking statements regarding the agreement with Alnylam and the discovery and development of potential RNAi therapeutics for the treatment of PML. Drug discovery and development involves a high degree of risk. Only a small number of research and development programs result in commercialization of a product. Factors which could cause actual results to differ materially from Biogen Idec's current expectations include the risk that the company may not be able to demonstrate the safety and efficacy of a potential RNAi therapeutic at each stage of the clinical trial process; technical hurdles relating to the manufacture of such RNAi therapeutic may be encountered; the company may not be able to meet applicable regulatory standards or regulatory authorities may fail to approve such RNAi therapeutic; and the company may encounter other unexpected hurdles. For more detailed information on the risks and uncertainties associated with Biogen Idec's drug development activities, see the section entitled "Risk Factors" in Biogen Idec's quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2006 that was filed with the Securities and Exchange Commission, as well as 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.

Alnylam Forward-Looking Statements
Various statements in this release concerning Alnylam's future expectations, plans, and prospects, such as expectations regarding the development and commercialization of an RNAi therapeutic for PML, Alnylam's views with respect to the potential for RNAi therapeutics and Alnylam's expectations regarding the receipt of research and development funding and milestone and other payments from Biogen Idec in connection with the alliance, constitute forward-looking statements for the purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including risks related to: Alnylam's approach to discover and develop novel drugs, which is unproven and may never lead to marketable products; Alnylam's ability to collaborate successfully with Biogen Idec and its other collaborators; obtaining, maintaining and protecting intellectual property utilized by Alnylam's products; Alnylam's ability to enforce its patents against infringers and to defend its patent portfolio against challenges from third parties; Alnylam's ability to obtain additional funding to support its business activities; Alnylam's dependence on third parties for development, manufacture, marketing, sales and distribution of its products; the successful development of Alnylam's product candidates, all of which are in early stages of development; obtaining regulatory approval for products; competition from others using technology similar to Alnylam's and others developing products for similar uses; Alnylam's dependence on collaborators; and Alnylam's short operating history; as well as those risks more fully discussed in the "Risk Factors" section of Alnylam's most recent report on Form 10-Q on file with the Securities and Exchange Commission. In addition, any forward-looking statements represent Alnylam's views only as of today and should not be relied upon as representing its views as of any subsequent date. Alnylam does not assume any obligation to update any forward-looking statements.

SOURCE: Alnylam Pharmaceuticals, Inc.

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