

REGENERON PHARMACEUTICALS INC
Form DEF 14A
April 21, 2006

**UNITED STATES
SECURITIES AND EXCHANGE
COMMISSION**
Washington, D.C. 20549
SCHEDULE 14A

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**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant **x**
Filed by a Party other than the Registrant **o**

Check the appropriate box:

- o** Preliminary Proxy Statement
- o** **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x** Definitive Proxy Statement
- o** Definitive Additional Materials
- o** Soliciting Material Pursuant to Rule §240.14a-12

Regeneron Pharmaceuticals, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x** No fee required.
- o** Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

**777 Old Saw Mill River Road
Tarrytown, New York 10591-6707**

April 21, 2006

Dear Fellow Shareholder:

It is my pleasure to invite you to attend the 2006 Annual Meeting of Shareholders of Regeneron Pharmaceuticals, Inc. to be held on Friday, June 9, 2006 at 10:30 in the morning at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York 10591.

The Notice of Annual Meeting and proxy statement in this mailing describe the items we plan to address at the meeting. We will also present a brief report on our business and give you the opportunity to ask questions of interest to Regeneron's shareholders.

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Your vote is important. Whether or not you plan to attend the Annual Meeting, you can cast your vote by completing the accompanying proxy and returning it in the enclosed prepaid envelope, or by voting through the Internet or by phone using the procedures described in the accompanying proxy statement and proxy card. If you attend the Annual Meeting, you may vote in person if you wish, even if you previously submitted a proxy.

I look forward to seeing you on June 9th.

Sincerely,

P. Roy Vagelos, M.D.
Chairman of the Board of Directors

REGENERON PHARMACEUTICALS, INC.
777 Old Saw Mill River Road
Tarrytown, New York 10591

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2006 Annual Meeting of Shareholders of Regeneron Pharmaceuticals, Inc. will be held on Friday, June 9, 2006, commencing at 10:30 a.m., at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York, for the following purposes:

- (1) to elect four directors for a term of three years;
- (2) to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2006; and
- (3) to act upon such other matters as may properly come before the meeting and any adjournment(s) or postponement(s) thereof.

The board of directors has fixed the close of business on April 13, 2006 as the record date for determining shareholders entitled to notice of, and to vote at, the Annual Meeting and at any adjournment(s) or postponement(s) thereof.

As Authorized by the Board of Directors,

Stuart Kolinski
Vice President, General Counsel and Secretary

April 21, 2006

IMPORTANT

Your vote is important. Whether or not you plan to attend the Annual Meeting, please complete, sign, and date the accompanying proxy card and return it promptly in the enclosed postage-prepaid envelope, or vote through the Internet or by phone using the procedures described in the accompanying proxy statement and proxy card. If you attend the Annual Meeting, you may vote in person if you wish, even if you have previously submitted a proxy.

REGENERON PHARMACEUTICALS, INC.
777 Old Saw Mill River Road
Tarrytown, New York 10591

April 21, 2006

PROXY STATEMENT

GENERAL INFORMATION ABOUT THE MEETING

Why are you receiving these proxy materials?

We are providing these proxy materials to you because Regeneron's board of directors is asking (technically called soliciting) holders of the Company's Common Stock and Class A Stock to provide proxies to be voted at our 2006 Annual Meeting of Shareholders. The Annual Meeting is scheduled for June 9, 2006, commencing at 10:30 a.m., at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York 10591, and your proxy will be used at the Annual Meeting or at any adjournment(s) or postponement(s) of the meeting. The Notice of Annual Meeting of Shareholders, this proxy statement, and the enclosed proxy card are being mailed to shareholders beginning on or about May 5, 2006.

Who is entitled to vote at the Annual Meeting?

Only shareholders of record at the close of business on the record date, April 13, 2006, are entitled to vote at the Annual Meeting shares of Common Stock and/or Class A Stock held on that date. As of April 13, 2006, 54,639,790 shares of Common Stock and 2,307,561 shares of Class A Stock were issued and outstanding. The Common Stock and the Class A Stock vote together on all matters as a single class, with the Common Stock being entitled to one vote per share and the Class A Stock being entitled to ten votes per share.

What are you being asked to vote on?

We are asking you to vote on:

the election of four directors for a three-year term; and

the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2006.

How can you vote?

You may vote in person at the Annual Meeting or by proxy. We recommend you vote by proxy even if you plan to attend the meeting. You can always change your vote at the meeting.

If you vote by proxy in time for it to be voted at the Annual Meeting, one of the individuals named as your proxy will vote your shares as you have directed in your proxy. If you sign and timely return your proxy card, but no indication is given as to how to vote your shares as to a proposal, your shares will be voted **FOR** the proposal. The board of directors knows of no matter, other than those indicated above under "What are you being asked to vote on?", to be presented at the Annual Meeting. If any other matter properly comes before the Annual Meeting, the persons named in the proxy card will use their discretion as to how to vote shares represented by duly executed and timely returned proxies.

If you attend the Annual Meeting and wish to vote in person, we will give you a ballot at the meeting. However, if your shares are held in the name of your broker, bank or other nominee, you must

obtain from your nominee and bring to the Annual Meeting a legal proxy authorizing you to vote your street name shares held as of the record date.

How do you vote by proxy?

You may vote by proxy (1) by completing, signing, dating, and returning your proxy card in the enclosed envelope, (2) through the Internet at www.proxyvote.com by 11:59 p.m., Eastern Time, on June 8, 2006 or (3) by calling 1-800-690-6903 by 11:59, Eastern Time, on June 8, 2006. If your shares are held in street name through a broker, bank or other nominee, you must provide written instructions to the nominee on how to vote your shares. You may also wish to check the voting form used by the firm that holds your shares to see if it offers telephone or Internet voting.

If you are a Regeneron employee or former employee, how do you vote shares in the Company Stock Fund in your 401(k) account?

If you participate in the Regeneron Pharmaceuticals, Inc. 401(k) Savings Plan, you may provide voting instructions to Capital Bank and Trust Company, the plan's trustee, (1) by completing, signing, dating, and returning your proxy card in the enclosed envelope, (2) through the Internet at www.proxyvote.com by 11:59 p.m., Eastern Time, on June 8, 2006, or (3) by calling 1-800-690-6903 by 11:59, Eastern Time, on June 8, 2006. When casting your vote, you should consider your long-term best interests as a plan participant, as well as the long-term best interests of other plan participants. The trustee will vote your shares in accordance with your duly executed instructions. If you fail to sign or timely return the proxy voting instructions, whether by mail, by telephone or over the Internet, the trustee will vote your shares as abstain.

Can you change your vote or revoke your proxy?

Yes. You may change your vote or revoke your proxy at any time before the proxy is exercised. If you submitted your proxy by mail, you must (i) file with the Secretary of the Company or other designee of the Company, at or before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy you previously submitted or (ii) duly execute a later dated proxy relating to the same shares and deliver it to the Secretary of the Company or other designee before the taking of the vote at the Annual Meeting. If you voted by proxy electronically through the Internet or by telephone as described above, you may simply vote again at a later date using the same procedures, in which case the later submitted proxy will be recorded and the earlier vote revoked. Attendance at the Annual Meeting will not have the effect of revoking a proxy unless you give written notice of revocation to the Secretary of the Company before the proxy is exercised or you vote by written ballot at the Annual Meeting. If you hold your shares through a broker, bank or other nominee in street name, you will need to contact them or follow the instructions in the voting instruction form used by the firm that holds your shares to revoke your proxy.

What constitutes a quorum?

The presence at the Annual Meeting, in person or by proxy, of the holders of the majority of the votes of the shares of Common Stock and Class A Stock issued and outstanding and entitled to vote on the record date, taken together as a single class, will constitute a quorum for the transaction of business at the Annual Meeting. Shares held as of the record date by holders who are present or represented by proxy at the Annual Meeting but who have abstained from voting or have not voted with respect to some or all of such shares on any proposal to be voted on at the Annual Meeting will be counted as present for the purposes of establishing a quorum. Brokers holding your shares in their name will have discretionary voting power to vote those shares with respect to the election of directors (Proposal No. 1) and the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2006 (Proposal No. 2) without instruction from you, and, accordingly, broker non-votes will not occur with respect to either of these two proposals.

What vote is required to approve each item?

The election of directors will be determined by a plurality of the votes cast in person or by proxy at the Annual Meeting. The ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2006 requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. If any other matter is properly brought before the Annual Meeting, such matter also will be determined by the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. Shares represented by proxies which are marked WITHHELD with regard to the election of directors (Proposal No. 1) will be excluded entirely from the vote on this proposal and thus will have no effect on the outcome of the vote. Shares represented by proxies which are marked ABSTAIN with regard to the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2006 (Proposal No. 2) will have no effect on the outcome of the vote on this proposal because abstentions do not constitute votes cast.

What are the board's recommendations?

The board of directors recommends that you vote:

FOR election of the four nominated directors; and

FOR ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2006.

PROPOSAL NO. 1: ELECTION OF DIRECTORS

According to the Company's Certificate of Incorporation, the board of directors is divided into three classes, denominated Class I, Class II, and Class III, with members of each class holding office for staggered three-year terms. There are currently three Class I Directors whose terms expire at the 2007 Annual Meeting, three Class II Directors whose terms expire at the 2008 Annual Meeting, and four Class III Directors whose terms expire at the 2006 Annual Meeting (in all cases, subject to the election and qualification of their successors and to their earlier death, resignation or removal).

Biographical information is given below, as of April 13, 2006, for each nominee for Class III Director whose current term of office expires at the 2006 Annual Meeting, and for each Class I and Class II Director whose term of office will continue after the 2006 Annual Meeting. The board of directors, upon the recommendation of the Corporate Governance Committee, has nominated for election at the 2006 Annual Meeting Charles A. Baker, Michael S. Brown, M.D., Arthur F. Ryan, and George L. Sing as Class III Directors for a three-year term expiring at the 2009 Annual Meeting. All of the nominees are presently directors and were previously elected by the shareholders.

**Nominees for Class III Directors for Election at the 2006 Annual Meeting
for a Term Expiring at the 2009 Annual Meeting**

Charles A. Baker

CHARLES A. BAKER, 73, has been a Director of the Company since February 1989. In September 2000, Mr. Baker retired as Chairman, President, and Chief Executive Officer of The Liposome Company, Inc., a position he had held since December 1989. During his career, Mr. Baker served in a senior management capacity in various pharmaceutical companies, including tenures as Group Vice President, Squibb Corporation (now Bristol-Myers Squibb) and President, Squibb International, and various senior executive positions at Abbott Laboratories and Pfizer, Inc. Mr. Baker currently is a member of the Board of Directors of Progenics Pharmaceuticals, Inc.

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Michael S. Brown, M.D.

MICHAEL S. BROWN, M.D., 65, has been a Director of the Company since June 1991. Dr. Brown is Professor of Medicine and Genetics and the Director of the Center for Genetic Diseases at the University of Texas Southwestern Medical Center at Dallas, a position he has held since 1985. He is a member of the Board of Directors of Pfizer Inc. His scientific contributions in cholesterol and lipid metabolism were made in collaboration with Dr. Joseph L. Goldstein. Drs. Brown and Goldstein jointly received the Nobel Prize for Physiology or Medicine in 1985.

Arthur F. Ryan

ARTHUR F. RYAN, 63, has been a Director of the Company since January 2003. Mr. Ryan is the Chairman and Chief Executive Officer of Prudential Financial, Inc., one of the largest diversified financial institutions in the world. Prior to joining Prudential in December 1994, Mr. Ryan served as President and Chief Operating Officer of Chase Manhattan Bank since 1990. Mr. Ryan ran Chase's worldwide retail bank between 1984 and 1990.

George L. Sing

GEORGE L. SING, 56, has been a Director of the Company since January 1988. Since 1998, he has been a Managing Director of Lancet Capital, a venture capital investment firm in the health care field.

The Board Unanimously Recommends a Vote FOR the Election of Charles A. Baker, Michael S. Brown, M.D., Arthur F. Ryan, and George L. Sing as Class III Directors for a Term Expiring at the 2009 Annual Meeting.

**Class I Directors Continuing in Office
Term Expires at the 2007 Annual Meeting**

**Leonard S. Schleifer, M.D.,
Ph.D.**

LEONARD S. SCHLEIFER, M.D., Ph.D., 53, founded the Company in 1988, has been a Director and its President and Chief Executive Officer since its inception, and served as Chairman of the Board from 1990 through 1994. In 1992, Dr. Schleifer was appointed Clinical Professor of Neurology at the Cornell University Medical School, and from 1984 to 1988 he was Assistant Professor at the Cornell University Medical School in the Departments of Neurology and Neurobiology. Dr. Schleifer is a licensed physician and is certified in Neurology by the American Board of Psychiatry and Neurology.

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Eric M. Shooter, Ph.D.

ERIC M. SHOOTER, Ph.D., 81, a co-founder of the Company, has been a Director since 1988. Dr. Shooter has been a Professor at Stanford University School of Medicine since 1968 and is now a Professor Emeritus. He was the founding Chairman of the Department of Neurobiology at Stanford University School of Medicine in 1975 and served as its Chairman until 1987. Dr. Shooter is a Fellow of the Royal Society of England and a member of the National Academy of Sciences.

**George D.
Yancopoulos, M.D., Ph.D.**

GEORGE D. YANCOPOULOS, M.D., Ph.D., 46, has been Executive Vice President, Chief Scientific Officer, and President, Regeneron Research Laboratories since December 2000 and a Director since 2001. Prior to that date, he was Senior Vice President, Research, a position he held since June 1997, and Chief Scientific Officer, a position he held since January 1998. Dr. Yancopoulos was Vice President, Discovery from January 1992 until June 1997, Head of Discovery from January 1991 to January 1992, and Senior Staff Scientist from March 1989 to January 1991. In 2004, Dr. Yancopoulos was elected as a member of the National Academy of Sciences.

**Class II Directors Continuing in Office
Term Expires at the 2008 Annual Meeting**

Alfred G. Gilman, M.D., Ph.D.

ALFRED G. GILMAN, M.D., Ph.D., 64, a co-founder of the Company, has been a Director of the Company since July 1990. Dr. Gilman has served as Dean of the University of Texas Southwestern Medical School since 2005 and has held the Raymond and Ellen Willie Distinguished Chair in Molecular Neuropharmacology at the University of Texas Southwestern Medical School since 1987. Dr. Gilman is a member of the National Academy of Sciences, and he received the Nobel Prize for Physiology or Medicine in 1994. Dr. Gilman is a member of the Board of Directors of Eli Lilly & Company.

Joseph L. Goldstein, M.D.

JOSEPH L. GOLDSTEIN, M.D., 65, has been a Director of the Company since June 1991. Dr. Goldstein has been the Professor of Medicine and Genetics and Chairman of the Department of Molecular Genetics at The University of Texas Southwestern Medical Center at Dallas, a position he has held since 1977. Dr. Goldstein is a member of the National Academy of Sciences. Drs. Goldstein and Brown jointly received the Nobel Prize for Physiology or Medicine in 1985.

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P. Roy Vagelos, M.D.

P. ROY VAGELOS, M.D., 76, has been Chairman of the Board of the Company since January 1995. Prior to joining Regeneron, Dr. Vagelos was Chairman of the Board and Chief Executive Officer of Merck & Co., Inc. He joined Merck in 1975, became a director in 1984, President and Chief Executive Officer in 1985, and Chairman in 1986. Dr. Vagelos retired from all positions with Merck in 1994. Dr. Vagelos is the Chairman of the Board of Theravance, Inc.

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The Corporate Governance Committee will consider a nominee for election to the board of directors recommended by a shareholder of record, if the shareholder submits the nomination in compliance with the requirements of our by-laws and the Guidelines Regarding Director Nominations, which are available on our website under the Corporate Governance heading on the Investor Relations page at www.regeneron.com.

In considering potential candidates for the board of directors, the Corporate Governance Committee considers factors such as whether or not a potential candidate: (1) possesses relevant expertise; (2) brings skills and experience complementary to those of the other members of the board; (3) has sufficient time to devote to the affairs of the Company; (4) has demonstrated excellence in his or her field; (5) has the ability to exercise sound business judgment; (6) has the commitment to rigorously represent the long-term interests of the Company's shareholders; and (7) such other factors as the Corporate Governance Committee may determine from time to time.

In the case of an incumbent director whose term of office is set to expire, the Corporate Governance Committee reviews such director's overall service to the Company during the director's term. In the case of a new director candidate, the Corporate Governance Committee reviews whether the nominee is independent, based on applicable NASDAQ listing standards and applicable Securities and Exchange Commission and New York State rules and regulations, if necessary.

The Corporate Governance Committee may employ a variety of methods for identifying and evaluating nominees for the board of directors. The Corporate Governance Committee may consider candidates recommended by other directors, management, search firms, shareholders or other sources. Candidates recommended by shareholders will be evaluated on the same basis as candidates recommended by our directors or management or by third party search firms or other sources. Candidates may be evaluated at regular or special meetings of the Corporate Governance Committee.

The Company has established a process for shareholders to send communications to the members of the board of directors. Shareholders may send such communications by mail addressed to the full board, a specific member or members of the board, or to a particular committee of the board, at 777 Old Saw Mill River Road, Tarrytown, New York 10591, Attention: Corporate Secretary. All such communications will be opened by our Corporate Secretary for the sole purpose of determining whether the contents represent a message to our directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the board or any individual director or group or committee of directors, the Corporate Secretary will make sufficient copies of the contents to send to such director or each director who is a member of the group or committee to which the envelope is addressed.

Board Committees

The board has a standing Audit Committee, Compensation Committee, and Corporate Governance Committee, each consisting exclusively of independent directors. The board also has a standing Technology Committee. The board has adopted charters for the Audit Committee, Compensation Committee, Corporate Governance Committee, and Technology Committee, current copies of which are available on our website at www.regeneron.com under the Corporate Governance heading on the Investor Relations page. Below is a summary description of our board committees.

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BOARD COMMITTEES AND MEETINGS

We show below information on the membership, key functions, and number of meetings of each board committee during 2005.

Name of Committee and Members	Key Functions of the Committee	Number of Meetings Held in 2005
AUDIT George L. Sing, <i>Chairman</i> Charles A. Baker Arthur F. Ryan	Select the independent registered public accounting firm, review and approve their engagement letter, and monitor their independence and performance. Review the overall scope and plans for the annual audit by the independent registered public accountants.	12

Name of Committee and Members	Key Functions of the Committee	Number of Meetings Held in 2005
	<p>Approve non-audit services performed by the independent registered public accounting firm and evaluate the performance and independence of the independent registered public accounting firm.</p> <p>Review and approve the periodic financial statements and the results of the year-end audit of the Company.</p> <p>Review and discuss the adequacy and effectiveness of the Company's accounting and internal control policies and procedures.</p> <p>Evaluate the internal audit process for establishing the annual audit plan and the focus on risk; review and approve the appointment and replacement of the Company's Chief Audit Executive, if applicable, and any outside entities providing internal audit services and evaluate their performances on an annual basis.</p> <p>Review the independent registered public accounting firm's recommendations concerning the Company's financial practices and procedures.</p> <p>Prepare an annual report of the Audit Committee for the proxy statement and annually evaluate the Audit Committee Charter.</p>	
<p>COMPENSATION</p> <p>Charles A. Baker, <i>Chairman</i> Joseph L. Goldstein, M.D. George L. Sing</p>	<p>Approve the annual compensation for the executive officers, including the Chief Executive Officer, and approve the total compensation budget for all Company employees.</p> <p>Oversee the Company's compensation and benefit plans and policies generally.</p> <p>Prepare an annual report of the Compensation Committee for the proxy statement.</p>	5
<p>CORPORATE GOVERNANCE</p> <p>Alfred G. Gilman, M.D., Ph.D., <i>Chairman</i> Arthur F. Ryan</p>	<p>Identify qualified individuals to become members of the board and recommend such candidates to the board.</p> <p>Assess the functioning of the board and its committees and make recommendations to the board concerning the appropriate size, function, and needs of the board.</p> <p>Make recommendations regarding non-employee director compensation.</p> <p>Make recommendations to the board regarding corporate governance matters and practices.</p>	3
<p>TECHNOLOGY</p> <p>Michael S. Brown, M.D., <i>Chairman</i> Alfred G. Gilman, M.D., Ph.D. Joseph L. Goldstein, M.D. Eric M. Shooter, Ph.D. P. Roy Vagelos, M.D.</p>	<p>Review and evaluate the Company's research and clinical development programs, plans, and policies.</p>	3

The board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers, and directors. You can find links to this code on our website under the Corporate Governance heading on the Investor Relations page at www.regeneron.com. We may satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or a waiver from, a provision of our code of

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business conduct and ethics that applies to our principal executive officer or our principal financial and accounting officer by posting such information on our website (www.regeneron.com) where it is accessible through the same links noted above.

The board of directors has determined that each of the following directors is an independent director within the meaning of Rule 4200 (a)(15) of the Marketplace Rules of the NASDAQ Stock Market, Inc.: Charles A. Baker, Michael S. Brown, M.D., Alfred G. Gilman, M.D., Ph.D., Joseph L. Goldstein, M.D., Arthur F. Ryan, Eric M. Shooter, Ph.D., and George L. Sing.

The board of directors has determined that each of the current members of the Audit Committee, Messrs. Baker, Ryan, and Sing, is an audit committee financial expert as that term is defined in Item 401(h) of Regulation S-K, and independent for purposes of item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended.

Board Meetings and Attendance of Directors

The board held six meetings in 2005. All directors attended more than 75% of the total number of meetings of the board and committees of the board held while they were members. Commencing in 2004, at the recommendation of the Corporate Governance Committee, the board adopted the practice of conducting executive sessions of independent directors following each regularly scheduled board meeting. Board members are expected to attend the Company's Annual Meeting of Shareholders absent a pressing reason, although the Company has no formal policy on the matter. All but one of the directors attended our 2005 Annual Meeting of Shareholders.

Compensation of Directors

Employee directors receive no compensation for services rendered in their capacity as directors. Non-employee directors receive an annual retainer of \$15,000 and a fee of \$5,000 for each board meeting attended in person or, once a year, by telephone or videoconference. On April 8, 2005, the board of directors, upon the recommendation of the Corporate Governance Committee, approved an additional retainer of \$5,000 per year for the Chairman of the Audit Committee. No other retainer or fees are paid to directors for committee service. Non-employee directors are reimbursed for their actual expenses incurred in connection with their activities as directors, which may include travel, hotel accommodations, and reasonable food and entertainment expenses.

Under the Company's 2000 Long-Term Incentive Plan, each non-employee director receives an automatic grant of an option to purchase 15,000 shares of Common Stock on the first business day after January 1 of each year, with an exercise price per share equal to the fair market value of a share of Common Stock on the date of grant. These options are exercisable as to one-third of the shares on the anniversary of the date of grant in each of the three subsequent calendar years, and expire ten years following the date of grant. Since 2001, options granted to directors have included a reload provision. Non-employee directors who use shares of Common Stock held for at least six months to pay the exercise price of options granted with reload provisions can receive a new option for the number of shares equal to the number of shares surrendered. The new option is granted at an exercise price equal to the fair market value of a share of Common Stock on the date of grant of the new option and has an expiration date that is the same as that of the initial option grant. Since 2002, options granted to non-employee directors have included a change of control provision, which would cause the immediate vesting of the options in the event that the director's service as a member of the board is terminated without cause within two years of a defined change of control. Each non-employee director would have the right to

nullify this acceleration of vesting, in whole or in part, if it would cause the director to pay excise taxes under Internal Revenue Code Section 4999.

On December 31, 1998, Dr. Vagelos entered into an employment agreement with Regeneron, pursuant to which, effective January 1, 1999, he became a part-time employee. Dr. Vagelos did not become an officer of the Company or change his title. His annual compensation as an employee is \$100,000. In accordance with the employment agreement, in 1999, the Company issued Dr. Vagelos an option, pursuant to the 1990 Long-Term Incentive Plan, to purchase up to 162,500 shares of Common Stock at an exercise price of \$7.41 per share; the option vested over five years. In addition, the Company agreed to recommend to the Compensation Committee that Dr. Vagelos be granted additional stock option grants on or about January 1, 2000 through 2003 in the amount of the greater of (a) 125,000 shares or (b) 125% of the highest annual option grant made to an officer of the Company at the time of each respective year's annual grant to officers. The Company agreed to recommend a vesting schedule for each year's annual grant to Dr. Vagelos that would decline ratably from five years for the grant in 1999, to one year for the grant in 2003. On December 19, 2005, the Company issued Dr. Vagelos an option, pursuant to the 2000 Long-Term Incentive Plan, to purchase 312,500 shares of Common Stock at an exercise price of \$11.64 per share (the then current fair market value per share of Common Stock); the option vests over four years and contains reload and change of control provisions identical to the ones described for non-employee directors. If Dr. Vagelos dies or is disabled while he is employed by the Company, all options granted by the Company to him will immediately become

exercisable at the time of death or disability.

EXECUTIVE OFFICERS OF THE COMPANY

All officers of the Company are appointed annually and serve at the pleasure of the board of directors. The names, positions, ages, and background of the Company's executive officers are set forth below. Except as identified below, there are no family relationships between any of our directors and executive officers. None of the corporations or other organizations referred to below with which an executive officer has previously been employed or otherwise associated is a parent, subsidiary or affiliate of the Company.

LEONARD S. SCHLEIFER, M.D., Ph.D., 53, founded the Company in 1988, has been a Director and its President and Chief Executive Officer since its inception, and served as Chairman of the Board from 1990 through 1994. In 1992, Dr. Schleifer was appointed Clinical Professor of Neurology at the Cornell University Medical School, and from 1984 to 1988 he was Assistant Professor at the Cornell University Medical School in the Departments of Neurology and Neurobiology. Dr. Schleifer received his M.D. and Ph.D. in Pharmacology from the University of Virginia. Dr. Schleifer is a licensed physician and is certified in Neurology by the American Board of Psychiatry and Neurology. Dr. Schleifer is a member of the Board of Directors of the Biotechnology Industry Organization.

GEORGE D. YANCOPOULOS, M.D., Ph.D., 46, has been Executive Vice President, Chief Scientific Officer and President, Regeneron Research Laboratories since December 2000 and a Director since 2001. Prior to that date, he was Senior Vice President, Research, a position he held since June 1997, and Chief Scientific Officer, a position he held since January 1998. Dr. Yancopoulos was Vice President Discovery from January 1992 until June 1997, Head of Discovery from January 1991 to January 1992, and Senior Staff Scientist from March 1989 to January 1991. He received his Ph.D. in Biochemistry and Molecular Biophysics and his M.D. from Columbia University. In 2004, Dr. Yancopoulos was elected as a member of the National Academy of Sciences.

MURRAY A. GOLDBERG, 61, has been Senior Vice President, Finance and Administration, Chief Financial Officer, Treasurer, and Assistant Secretary since December 2000. Prior to that date, he was Vice President, Finance and Administration, Chief Financial Officer, and Treasurer, positions he held since March 1995, and Assistant Secretary, a position he held since January 2000. Prior to joining the Company, Mr. Goldberg was Vice President, Finance, Treasurer, and Chief Financial Officer of PharmaGenics, Inc. from February 1991 and a Director of that company from May 1991. From 1987

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to 1990, Mr. Goldberg was Managing Director, Structured Finance Group at the Chase Manhattan Bank, N.A. and from 1973 to 1987 he served in various managerial positions in finance and corporate development at American Cyanamid Company. Mr. Goldberg received his M.B.A. from the University of Chicago and a M.S. in Economics from the London School of Economics.

RANDALL G. RUPP, Ph.D., 58, has been Senior Vice President, Manufacturing Operations since March 2004. From December 2000 until March 2004, Dr. Rupp was Senior Vice President, Manufacturing and Process Sciences. Prior to December 2000, he was Vice President, Manufacturing and Process Science, a position he held since January 1992. Dr. Rupp was Director of Manufacturing from July 1991 until December 1992. He received his Ph.D. in Biomedical Sciences from the University of Texas, M.D. Anderson Hospital and Tumor Institution, Houston.

NEIL STAHL, Ph.D., 49, has been Senior Vice President, Preclinical Development and Biomolecular Science since December 2000. Prior to that date, he was Vice President, Preclinical Development and Biomolecular Sciences, a position he held since January 2000. He joined the Company in 1991. Before becoming Vice President, Biomolecular Sciences in July 1997, Dr. Stahl was Director, Cytokines and Signal Transduction. Dr. Stahl received his Ph.D. in Biochemistry from Brandeis University.

STUART A. KOLINSKI, 40, has been Vice President, General Counsel and Secretary since September 2000. Prior to joining the Company, he was an Assistant General Counsel at Warner-Lambert Company. Mr. Kolinski was employed by Warner-Lambert Company from September 1994 until August 2000. Prior to joining Warner-Lambert Company, Mr. Kolinski was an associate with the law firm of Simpson Thacher & Bartlett LLP. Mr. Kolinski received his J.D. from New York University School of Law.

WILLIAM G. ROBERTS, M.D., 48, has been Vice President, Regulatory Development since May 1999. From 1993 until joining the Company, Dr. Roberts was employed by Merck & Co., Inc. as an Associate Director, Gastroenterology Clinical Research and, subsequently, Director, Regulatory Affairs. He received his M.D. from the Columbia University College of Physicians & Surgeons. Dr. Roberts is a son-in-law of our Chairman, Dr. Vagelos.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth, as of April 13, 2006, the number of shares of the Company's Class A Stock and Common Stock beneficially owned by each of the Company's directors, each of the Named Officers referred to under Executive Compensation, and all directors and executive officers as a group, based upon information obtained from such persons, and the percentage that such shares represent of the number of shares of outstanding Common Stock and Class A Stock, respectively.

The Class A Stock is convertible on a share-for-share basis into Common Stock. The Class A Stock is entitled to ten votes per share and the Common Stock is entitled to one vote per share. We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. Except as otherwise indicated in the footnotes below, we believe, based on the information furnished or otherwise available to us, that the persons named in the table below have sole voting and investment power with respect to all shares of Class A Stock and Common Stock shown as beneficially owned by them, subject to applicable community property laws. We have based our calculation of percentage of shares of a class beneficially owned on 2,307,561 shares of Class A Stock and 54,639,790 shares of Common Stock outstanding as of April 13, 2006, except that for each person listed who beneficially owns Class A Stock (and for directors and executive officers as a group), the number of shares of Common Stock beneficially owned by that person (and by directors and executive officers as a group) and the percentage of Common Stock listed assumes the conversion on April 13, 2006 of all shares of Class A Stock listed as beneficially owned by such person (or persons in the case of directors and executive officers as a group) into Common Stock and also that no other shares of Class A Stock beneficially owned by others are so converted.

In computing the number of shares of Common Stock beneficially owned by a person (and by directors and executive officers as a group) and the percentage ownership of Common Stock of such person (and by directors and executive officers as a group), shares of Common Stock subject to options held by that person (and by directors and executive officers as a group) that are currently exercisable or exercisable within 60 days after April 13, 2006 were deemed to be outstanding. Such shares were not deemed to be outstanding, however, for the purpose of computing the percentage ownership of Common Stock of any other person.

Management and Directors Stock Ownership Table as of April 13, 2006

Name of Beneficial Owner	Shares of Class A Stock Beneficially Owned (1)		Shares of Common Stock Beneficially Owned (1)	
	Number	Percent of Class	Number (2)	Percent of Class
Leonard S. Schleifer, M.D., Ph.D.	1,710,790(3)	74.1%	3,065,189(8)	5.3%
P. Roy Vagelos, M.D.	0	*	2,942,915(9)	5.2%
Charles A. Baker	62,384(4)	2.7%	167,974(10)	*
Michael S. Brown, M.D.	38,049(5)	1.6%	175,049(10)	*
Alfred G. Gilman, M.D., Ph.D.	76,237	3.3%	193,212(10)	*
Joseph L. Goldstein, M.D.	52,000	2.3%	137,000(11)	*
Arthur F. Ryan	0	*	40,000(11)	*
Eric M. Shooter, Ph.D.	76,911(6)	3.3%	171,911(11)	*
George L. Sing	0	*	187,772(12)	*
George D. Yancopoulos, M.D., Ph.D.	42,750(7)	1.9%	1,123,436(13)	2.0%
Murray A. Goldberg	0	*	226,078(14)	*
Randall G. Rupp, Ph.D.	0	*	170,785(15)	*
Neil Stahl, Ph.D.	0	*	188,887(16)	*
All Directors and Executive Officers as a Group (15 persons)	2,059,121	89.2%	9,001,796(17)	14.6%

* Represents less than 1%

- (1) The inclusion herein of any Class A Stock or Common Stock, as the case may be, deemed beneficially owned does not constitute an admission of beneficial ownership of those shares.