Celgene Corporation and Subsidiaries
Reconciliation of GAAP to Adjusted Net Income
(In thousands, except per share data)

		Twelve Months Ended December 31,								
		2012	2011	2010	2009	2008	2007	2006	2005	2004
Net income attributable to Celgene - GAAP		$ 1,456,180	$ 1,318,150	$ 880,512	$ 776,747	$ (1,533,653)	$ 226,433	$ 68,981	$ 63,656	$ 52,756
Before tax adjustments:										
Net product sales:										
Sales of products exited it to be exited:										
Pharmion	(1)	-	(5,423)	(8,234)	(12,654)	(16,965)	-	-	-	-
Abraxis	(1)	-	(21,265)	(15,864)	-	-	-	-	-	-
Collaborative agreements and other revenue:										
Abraxis non-core revenues	(2)	-	(1,714)	(943)	-	-	-	-	-	-
Cost of goods sold (excluding amortization of acquired intangible assets):										
Share-based compensation expense		12,413	9,762	6,776	4,444	2,535	2,061	1,640	-	-
Abraxis and Pharmion inventory step-up	(3)	-	90,278	34,722	354	24,646	-	-	-	-
Products exited it to be exited:										
Pharmion	(2)	(1,553)	9,881	9,783	8,262	6,950	-	-	-	-
Abraxis	(2)	-	13,151	9,298	-	-	-	-	-	-
EntreMed intercompany royalty	(4)	-	-	(283)	(585)	(843)	(910)	(835)	(687)	-
Research and development:										
Share-based compensation expense		102,413	104,704	82,097	64,751	44,007	16,685	12,740	-	-
Upfront collaboration payments	(5)	189,500	128,479	121,176	34,500	45,000	41,050	-	-	-
Abraxis non-core activities	(2)	-	8,728	7,338	-	-	-	-	-	-
IPR&D impairments	(6)	122,509	118,000	-	-	-	-	-	-	-
Purchase of VIDAZA royalty obligation	(7)	-	-	-	-	303,069	-	-	-	-
Selling, general and administrative:										
Share-based compensation expense		116,217	102,736	93,924	74,624	60,036	35,963	62,263	-	-
Abraxis non-core activities	(2)	-	15,065	15,089	-	-	-	-	-	-
Canadian pricing settlement	(8)	-	9,814	-	-	-	-	-	-	-
Amortization of acquired intangible assets		-	-	-	-	-	-	8,718	2,667	-
Accelerated depreciation related to relocation	(9)	-	-	-	-	-	-	202	2,456	-
Amortization of acquired intangible assets		194,499	289,226	203,231	83,403	103,967	9,070	-	-	-
Acquisition related charges and restructuring, net:										
Change in fair value of contingent consideration	(10)	166,374	(147,463)	9,712	-	-	-	-	-	-
Acquisition and restructuring costs	(10)	2,577	5,117	37,517						
Acquired in-process research and development	(11)	-	-	-	-	1,740,000	-	-	-	-
Other income (expense), net:										
EntreMed, Inc. equity method loss	(4)		644	1,295	1,449	3,571	3,978	8,330	6,923	-
Abraxis non-core activities	(2)	-	2,036	(1,467)	-	-	-	-	-	-
Gain on divestment of non-core activities		-	(2,931)	-	-	-	-	-	-	-
Share-based compensation expense		-	-	-	-	-	4,116	-	-	-
Loss on value of EntreMed, Inc. warrants	(12)	-	-	-	-	-	-	-	6,875	1,922
Non-controlling interest:										
Abraxis non-core activities	(2)	-	(694)	(320)	-	-	-	-	-	-
Net income tax adjustments	(13)	(198,643)	(293,373)	(174,904)	(63,973)	(63,559)	(32,812)	48,087	(11,102)	4,925
Net income attributable to Celgene - Adjusted		$ 2,162,486	$ 1,752,908	$ 1,310,455	$ 971,322	$ 718,761	$ 305,634	$ 210,126	$ 70,788	$ 59,603
Net income per common share attributable to Celgene - Adjusted										
Basic		$ 5.02	$ 3.85	$ 2.83	$ 2.11	$ 1.62	$ 0.80	$ 0.60	$ 0.21	$ 0.18
Diluted		$ 4.91	$ 3.79	$ 2.79	$ 2.08	$ 1.56	$ 0.72	$ 0.53	$ 0.20	$ 0.17

Celgene Corporation and Subsidiaries
Reconciliation of GAAP to Adjusted Net Income

Explanation of adjustments:

Amounts presented for years prior to 2004 are presented on a GAAP basis.

(1) Exclude sales related to non-core former Pharmion Corp. (Pharmion) and Abraxis BioScience Inc. (Abraxis) products to be divested.

(2) Exclude the estimated impact of activities arising from the acquisition of Abraxis that are not related to core nab technology and were divested in 2011, including other miscellaneous revenues, cost of goods sold (excluding amortization of acquired intangible assets), operating expenses and other costs related to such activities. Exclude the net (benefit) cost of activities arising from the acquisition of Pharmion that are planned to be exited.

(3) Exclude acquisition-related inventory step-up adjustments to fair value which were expensed for Abraxis in 2011 and 2010 and Pharmion in 2009 and 2008.

(4) Exclude the Company's share of EntreMed, Inc. (EntreMed) THALOMID® royalties and equity losses.

(5) Exclude upfront payments for research and development collaboration arrangements and purchases of intellectual property for unapproved products.

(6) Exclude in-process research and development, or IPR&D, impairments.

(7) Exclude the purchase of VIDAZA® royalty obligations related to unapproved forms.

(8) Exclude pricing settlement with the Patented Medicine Prices Review Board of Canada related to sales of THALOMID®.

(9) Exclude accelerated depreciation expense related to the relocation of the Company's corporate headquarters.

(10) Exclude acquisition related charges and restructuring, including changes in the fair value of contingent consideration, related to the acquisitions of Gloucester Pharmaceuticals, Inc., Abraxis and Avila Therapeutics, Inc.

(11) Exclude the in-process research and development write-off related to the acquisition of Pharmion in 2008.

(12) Exclude loss recorded for changes in the estimated value of the Company's investment in EntreMed warrants prior to our March 31, 2005 exercise.

(13) Net income tax adjustments reflect the estimated tax effect of the above adjustments and the impact of certain other non-operating tax adjustments, including one-time effects of changes in tax law, acquisition related matters, an adjustment to the amount of unrecognized tax benefits and deferred taxes on unremitted foreign earnings.

Celgene Corporation and Subsidiaries
Reconciliation of Full-Year 2013 Projected GAAP to Adjusted Net Income
(In millions, except per share data)

		Range	
		Low	High
Projected net income - GAAP	(1)	$ 1,857.7	$ 1,924.1
Before tax adjustments:			
Cost of goods sold (excluding amortization of acquired intangible assets):			
Share-based compensation expense		12.6	12.2
Research and development:			
Share-based compensation expense		104.4	100.4
Upfront collaboration payments		157.9	151.7
Selling, general and administrative:			
Share-based compensation expense		113.4	109.0
Amortization of acquired intangible assets		265.4	262.8
Acquisition related charges (gains) and restructuring, net:			
Change in fair value of contingent consideration		36.1	36.1
Net income tax adjustments		(161.0)	(166.8)
Projected net income - Adjusted		$ 2,386.5	$ 2,429.5
Projected net income per diluted common share - GAAP		$ 4.32	$ 4.47
Projected net income per diluted common share - Adjusted		$ 5.55	$ 5.65
Projected weighted average diluted shares		430.0	430.0

(1) Our projected earnings do not include the effect of any business combinations, collaboration agreements, asset acquisitions, intangible asset impairments, or changes in the fair value of our CVRs issued as part of the acquisition of Abraxis that occurred after the date of this press release.

only 2008 adjustments

Return on Invested Capital (ROIC)

	2013 (TTM)	2012	2011	2010	2009	2008
Operating income	1,727,986	1,746,442	1,442,753	989,635	841,526	(1,464,218)
Certain charges (1)						2,043,069
Operating income (non-GAAP for 2008)	1,727,986	1,746,442	1,442,753	989,635	841,526	578,851
Effective tax rate	13%	13%	7%	13%	20%	24%
Operating income after tax (non-GAAP for 2008)	1,502,220	1,512,428	1,339,017	860,221	669,930	439,272
Total equity	5,554,359	5,694,467	5,512,727	5,995,472	4,394,606	3,491,328
Certain charges (1)	1,979,510	1,979,510	1,979,510	1,979,510	1,979,510	1,979,510
Total debt	3,126,101	3,079,792	1,802,269	1,247,584	-	-
Total capital	10,659,970	10,753,769	9,294,506	9,222,566	6,374,116	5,470,838
Total capital beginning of period	9,481,607	9,294,506	9,222,566	6,374,116	5,470,838	3,040,499
Total capital end of period	10,659,970	10,753,769	9,294,506	9,222,566	6,374,116	5,470,838
Average total capital	10,070,789	10,024,138	9,258,536	7,798,341	5,922,477	4,255,669
ROIC	**14.9%**	**15.1%**	**14.5%**	**11.0%**	**11.31%**	**10.3%**

(1) Excludes $1.7 billion of IPR&D expense in 2008 associated with the acquisition of Pharmion, as well as $300 million of expense related to the acquisition of intellectual property rights for Vidaza in 2008 prior to it's launch. Amounts adjusted for tax effects in 2008 are excluded from equity in all years including and subsequent to 2008.