

Celgene Corporation and Subsidiaries
Condensed Consolidated Statements of Income
(Unaudited)
(In millions, except per share data)

	Three-Month Periods Ended	
	March 31,	
	2013	2012
Net product sales	\$ 1,429.3	\$ 1,245.5
Other revenue	35.3	27.8
Total revenue	1,464.6	1,273.3
Cost of goods sold (excluding amortization of acquired intangible assets)	80.5	72.5
Research and development	452.4	362.0
Selling, general and administrative	369.0	325.8
Amortization of acquired intangible assets	65.7	41.8
Acquisition related charges (gains) and restructuring, net	33.2	(11.1)
Total costs and expenses	1,000.8	791.0
Operating income	463.8	482.3
Other income (expense), net	(15.4)	(8.3)
Income before income taxes	448.4	474.0
Income tax provision	63.5	72.5
Net income	\$ 384.9	\$ 401.5
Net income per common share:		
Basic	\$ 0.92	\$ 0.92
Diluted	\$ 0.89	\$ 0.90
Weighted average shares:		
Basic	417.9	438.3
Diluted	432.2	448.6
	March 31,	December 31,
	2013	2012
Balance sheet items:		
Cash, cash equivalents & marketable securities	\$ 3,520.5	\$ 3,900.3
Total assets	11,452.6	11,734.3
Short-term borrowings	362.0	308.5
Long-term debt	2,764.1	2,771.3
Total stockholders' equity	5,554.4	5,694.5

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

	Three-Month Periods Ended	
	March 31,	
	2013	2012
Net income - GAAP	\$ 384.9	\$ 401.5
Before tax adjustments:		
Cost of goods sold (excluding amortization of acquired intangible assets):		
Products exited or to be exited -Pharmion	(1) -	(1.4)
Share-based compensation expense	(2) 2.8	2.9
Research and development:		
Share-based compensation expense	(2) 27.0	25.0
IPR&D impairments	(3) -	22.2
Upfront collaboration payments	(4) 95.7	-
Selling, general and administrative:		
Share-based compensation expense	(2) 35.8	26.8
Amortization of acquired intangible assets	(5) 65.7	41.8
Acquisition related charges (gains) and restructuring, net:		
Change in fair value of contingent consideration	(6) 33.2	(12.5)
Acquisition and restructuring costs	(6) -	1.4
Net income tax adjustments	(7) (53.4)	(23.3)
Net income - Adjusted	<u>\$ 591.7</u>	<u>\$ 484.4</u>
Net income per common share - Adjusted		
Basic	\$ 1.42	\$ 1.11
Diluted	\$ 1.37	\$ 1.08

In addition to financial information prepared in accordance with U.S. GAAP, this press release also contains adjusted financial measures that we believe provide investors and management with supplemental information relating to operating performance and trends that facilitate comparisons between periods and with respect to projected information. These adjusted measures are non-GAAP and should be considered in addition to, but not as a substitute for, the information prepared in accordance with U.S. GAAP. We typically exclude certain GAAP items that management does not believe affect our basic operations and that do not meet the GAAP definition of unusual or non-recurring items. Other companies may define these measures in different ways.

Explanation of adjustments:

- (1) Exclude the net (benefit) cost of activities arising from the acquisition of Pharmion Corp. (Pharmion) that are planned to be exited.
- (2) Exclude share-based compensation expense totaling \$65.6 for the three-month period ended March 31, 2013 and \$54.7 for the three-month period ended March 31, 2012.
- (3) Exclude in-process research and development impairments recorded as a result of changes in estimated probability-weighted cash flows.
- (4) Exclude upfront payments for research and development collaboration arrangements.
- (5) Exclude amortization of intangible assets acquired in the acquisitions of Pharmion, Gloucester Pharmaceuticals, Inc. (Gloucester), Abraxis BioScience Inc. (Abraxis) and Celgene Avilomics Research, Inc. (formerly known as Avila Therapeutics)(Avila).
- (6) Exclude acquisition related charges and restructuring, including changes in the fair value of contingent consideration, related to the acquisitions of Gloucester, Abraxis and Avila.
- (7) Net income tax adjustments reflect the estimated tax effect of the above adjustments and the impact of certain other non-operating tax adjustments, including acquisition related matters.

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.