

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

	Three-Month Periods Ended December 31,		Twelve-Month Periods Ended December 31,	
	2012	2011	2012	2011
Net product sales	\$ 1,415,497	\$ 1,242,635	\$ 5,385,599	\$ 4,699,690
Other revenue	31,913	41,262	121,114	142,380
Total revenue	<u>1,447,410</u>	<u>1,283,897</u>	<u>5,506,713</u>	<u>4,842,070</u>
Cost of goods sold (excluding amortization of acquired intangible assets)	80,130	77,503	299,124	425,859
Research and development	473,419	436,427	1,724,156	1,600,264
Selling, general and administrative	370,092	315,107	1,373,541	1,226,314
Amortization of acquired intangible assets	62,434	75,045	194,499	289,226
Acquisition related (gains) charges and restructuring, net	140,087	(24,916)	168,951	(142,346)
Total costs and expenses	<u>1,126,162</u>	<u>879,166</u>	<u>3,760,271</u>	<u>3,399,317</u>
Operating income	321,248	404,731	1,746,442	1,442,753
Other income (expense), net	(30,945)	(3,069)	(64,951)	(23,231)
Income before income taxes	290,303	401,662	1,681,491	1,419,522
Income tax (benefit) provision	27,188	(8,516)	225,311	102,066
Net income	263,115	410,178	1,456,180	1,317,456
Non-controlling interest	-	-	-	694
Net income attributable to Celgene	<u>\$ 263,115</u>	<u>\$ 410,178</u>	<u>\$ 1,456,180</u>	<u>\$ 1,318,150</u>
Net income per share attributable to Celgene:				
Basic	\$ 0.62	\$ 0.93	\$ 3.38	\$ 2.89
Diluted	\$ 0.61	\$ 0.91	\$ 3.30	\$ 2.85
Weighted average shares:				
Basic	421,592	441,064	430,927	455,348
Diluted	432,310	449,747	440,796	462,748

	December 31,	
	2012	2011
<b>Balance sheet items:</b>		
Cash, cash equivalents & marketable securities	\$ 3,900,270	\$ 2,648,154
Total assets	11,734,306	10,005,910
Short-term borrowings	308,459	526,684
Long-term debt	2,771,333	1,275,585
Total stockholders' equity	5,694,467	5,512,727

**Celgene Corporation and Subsidiaries**  
**Reconciliation of GAAP to Adjusted Net Income**

(In thousands, except per share data)

	Three-Month Periods Ended December 31,		Twelve-Month Periods Ended December 31,	
	2012	2011	2012	2011
Net income attributable to Celgene - GAAP	\$ 263,115	\$ 410,178	\$ 1,456,180	\$ 1,318,150
Before tax adjustments:				
Total revenues:				
Sales of products exited or to be exited	(1) -	(1,752)	-	(26,688)
Abraxis non-core other revenues	(2) -	-	-	(1,714)
Cost of goods sold (excluding amortization of acquired intangible assets):				
Share-based compensation expense	(3) 3,240	2,708	12,413	9,762
Abraxis inventory step-up	(4) -	-	-	90,278
Products exited or to be exited	(2) 441	3,744	(1,553)	23,032
Research and development:				
Share-based compensation expense	(3) 26,555	24,705	102,413	104,704
Abraxis non-core activities	(2) -	-	-	8,728
IPR&D impairments	(5) 69,156	-	122,509	118,000
Upfront collaboration payments	(6) 59,500	62,497	189,500	128,479
Selling, general and administrative:				
Share-based compensation expense	(3) 30,207	26,831	116,217	102,736
Abraxis non-core activities	(2) -	-	-	15,065
Canadian pricing settlement	(7) -	9,814	-	9,814
Amortization of acquired intangible assets	(8) 62,434	75,045	194,499	289,226
Acquisition related (gains) charges and restructuring, net:				
Change in fair value of contingent consideration	(9) 140,087	(24,916)	166,374	(147,463)
Acquisition and restructuring costs	(9) -	-	2,577	5,117
Other income (expense), net				
EntreMed, Inc. equity method loss	(10) -	102	-	644
Abraxis non-core activities	(2) -	-	-	2,036
Gain on divestment of non-core activities	(11) -	-	-	(2,931)
Non-controlling interest -Abraxis	(2) -	-	-	(694)
Net income tax adjustments	(12) (82,521)	(115,898)	(198,643)	(293,373)
Net income attributable to Celgene - Adjusted	<u>\$ 572,214</u>	<u>\$ 473,058</u>	<u>\$ 2,162,486</u>	<u>\$ 1,752,908</u>
Net income per share attributable to Celgene -Adjusted:				
Basic	\$ 1.36	\$ 1.07	\$ 5.02	\$ 3.85
Diluted	\$ 1.32	\$ 1.05	\$ 4.91	\$ 3.79

*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 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.*

**Celgene Corporation and Subsidiaries**  
**Reconciliation of GAAP to Adjusted Net Income**

Explanation of adjustments:

- (1) Exclude sales related to non-core former Pharmion Corp., or Pharmion, products to be exited and Abraxis BioScience Inc., or Abraxis, products that have been exited.
- (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 share-based compensation expense totaling \$60,002 for the three-month period ended December 31, 2012 and \$54,244 for the three-month period ended December 31, 2011. Exclude share-based compensation expense totaling \$231,043 for the twelve-month period ended December 31, 2012 and \$217,202 for the twelve-month period ended December 31, 2011.
- (4) Exclude acquisition-related inventory step-up adjustments to fair value which were expensed for Abraxis in 2011.
- (5) Exclude in-process research and development, or IPR&D, impairments recorded as a result of changes in estimated probability-weighted cash flows.
- (6) Exclude upfront payments for research and development collaboration arrangements and purchases of intellectual property for unapproved products.
- (7) Exclude 2011 pricing settlement with the Patented Medicine Prices Review Board of Canada related to sales of THALOMID.
- (8) Exclude amortization of intangible assets acquired from the acquisitions of Pharmion, Gloucester Pharmaceuticals, Inc., or Gloucester, Abraxis and Celgene Avilomics Research, Inc. (formerly known as Avila Therapeutics), or Avila.
- (9) Exclude acquisition related charges and restructuring, including changes in the fair value of contingent consideration, related to the acquisitions of Gloucester, Abraxis and Avila.
- (10) Exclude the Company's share of EntreMed, Inc. equity losses in 2011.
- (11) Exclude the 2011 gain recognized on divestment of non-core activities obtained in the acquisition of Abraxis.
- (12) 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 thousands, except per share data)

	Range	
	Low	High
Projected net income - GAAP	(1) \$ 2,006,000	\$ 2,058,000
Before tax adjustments:		
Cost of goods sold (excluding amortization of acquired intangible assets):		
Share-based compensation expense	14,000	14,000
Research and development:		
Share-based compensation expense	119,000	114,000
Selling, general and administrative:		
Share-based compensation expense	135,000	130,000
Amortization of acquired intangible assets	265,000	263,000
Acquisition related (gains) charges and restructuring, net:		
Change in fair value of contingent consideration	11,000	11,000
Net income tax adjustments	(185,000)	(182,000)
Projected net income - Adjusted	\$ 2,365,000	\$ 2,408,000
Projected net income per diluted common share - GAAP	\$ 4.67	\$ 4.79
Projected net income per diluted common share - Adjusted	\$ 5.50	\$ 5.60
Projected weighted average diluted shares	430,000	430,000

- (1) Our projected earnings do not include the effect of any 2013 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.