Q3 2012 Conference Call

October 25, 2012

Agenda

Patrick Flanigan
VP, Investor Relations

Bob Hugin
Chief Executive Officer

Jackie Fouse
Chief Financial Officer

Mark Alles
Chief Commercial Officer

Q & A

Forward-Looking Statements and Adjusted Financial Information

This presentation contains forward-looking statements, which are generally statements that are not historical facts. Forward-looking statements can be identified by the words "expects," "anticipates," "believes," "intends," "estimates," "plans," "will," “outlook” and similar expressions. Forward-looking statements are based on management’s current plans, estimates, assumptions and projections, and speak only as of the date they are made. We undertake no obligation to update any forward-looking statement in light of new information or future events, except as otherwise required by law. Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and are generally beyond our control. Actual results or outcomes may differ materially from those implied by the forward-looking statements as a result of the impact of a number of factors, many of which are discussed in more detail in our Annual Report on Form 10-K and our other reports filed with the Securities and Exchange Commission.

In addition to financial information prepared in accordance with U.S. GAAP, this presentation 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. Further information relevant to the interpretation of adjusted financial measures, and reconciliations of these adjusted financial measures to the most comparable GAAP measures, may be found on Celgene’s website at www.Celgene.com in the “Investor Relations” section.

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Bob Hugin

Q3 2012 - Exceptional Quarter Across All Metrics

Q3 Financial results

- Strong Y/Y growth: Revenue and Product Sales ↑14%; adjusted diluted EPS↑26%

Advancement in all commercial performance metrics

- Revlimid sales growth was ↑4% Q/Q , ↑18% Y/Y
- Duration, market share and geographic expansion

2012 adjusted diluted EPS guidance increased to $4.85 – $4.90 and revenue guidance narrowed to $5,450M-$5,550M

Executing on our long term strategic imperatives

- Significant regulatory and clinical catalysts expected over the next 6-12 months

Near-term Transformational Milestones

Maximize REVLIMID'S Full Potential

Pomalidomide Global Registrations

ABRAXANE Label Expansion and Key Data

Apremilast Phase III Data in Psoriasis and PsA

Clinical Validation of Several Mid-stage Programs

Jackie Fouse

Q3 2012 Adjusted Financial Highlights

Strong operating results

- Y/Y net product sales grew 14%; adjusted diluted EPS grew 26%
- Volume and operating efficiencies drove growth

Increasing levels of profitability

- Operating profit margin improved 140 bps Q/Q, 230 bps Y/Y

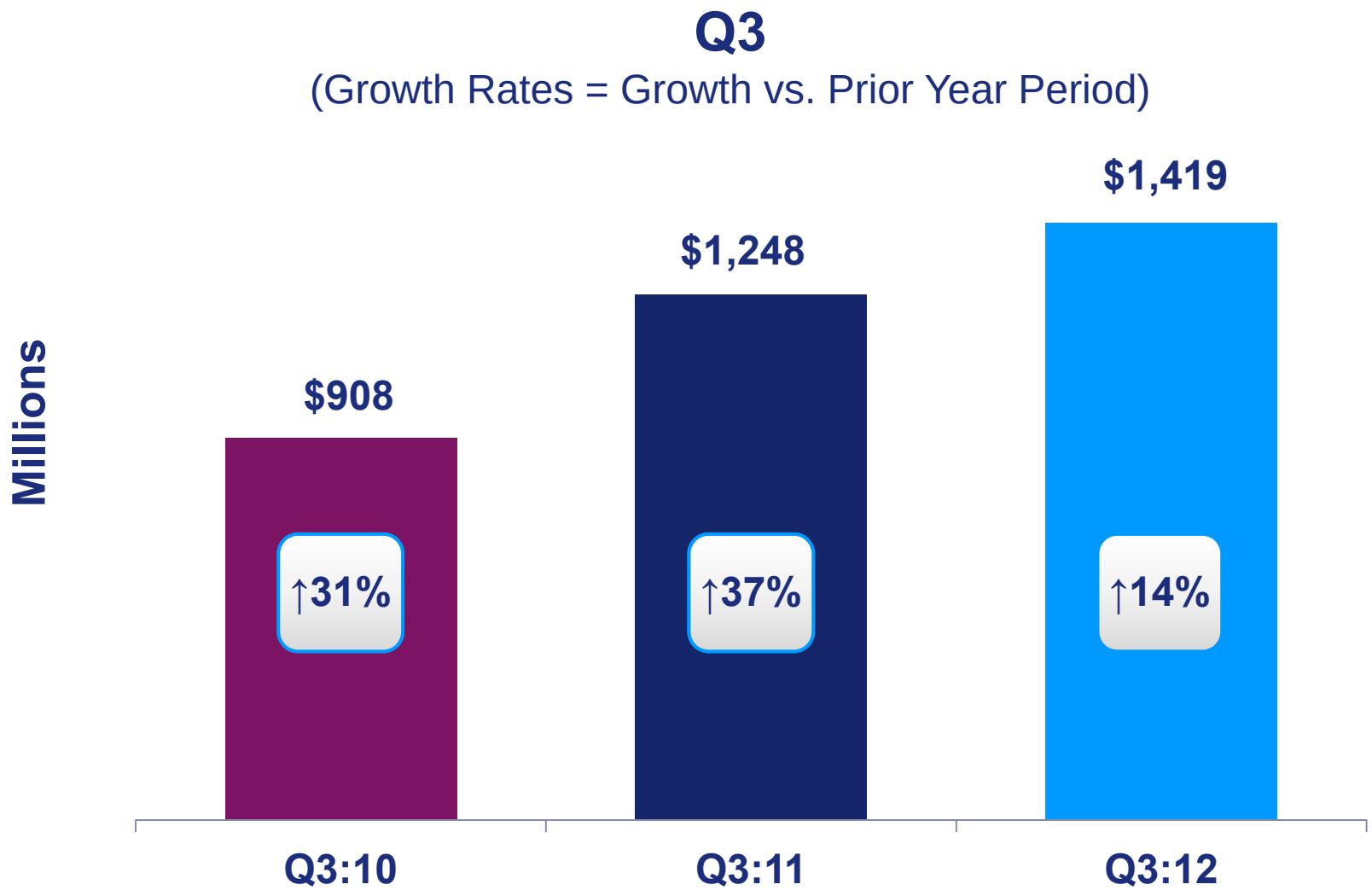
Adding value with financial drivers

- 10.8M shares repurchased for total ~$740M in Q3
- Tax rate decreased 50bps Y/Y

Business model continues to deliver

- Raising 2012 earnings guidance; narrowing revenue guidance

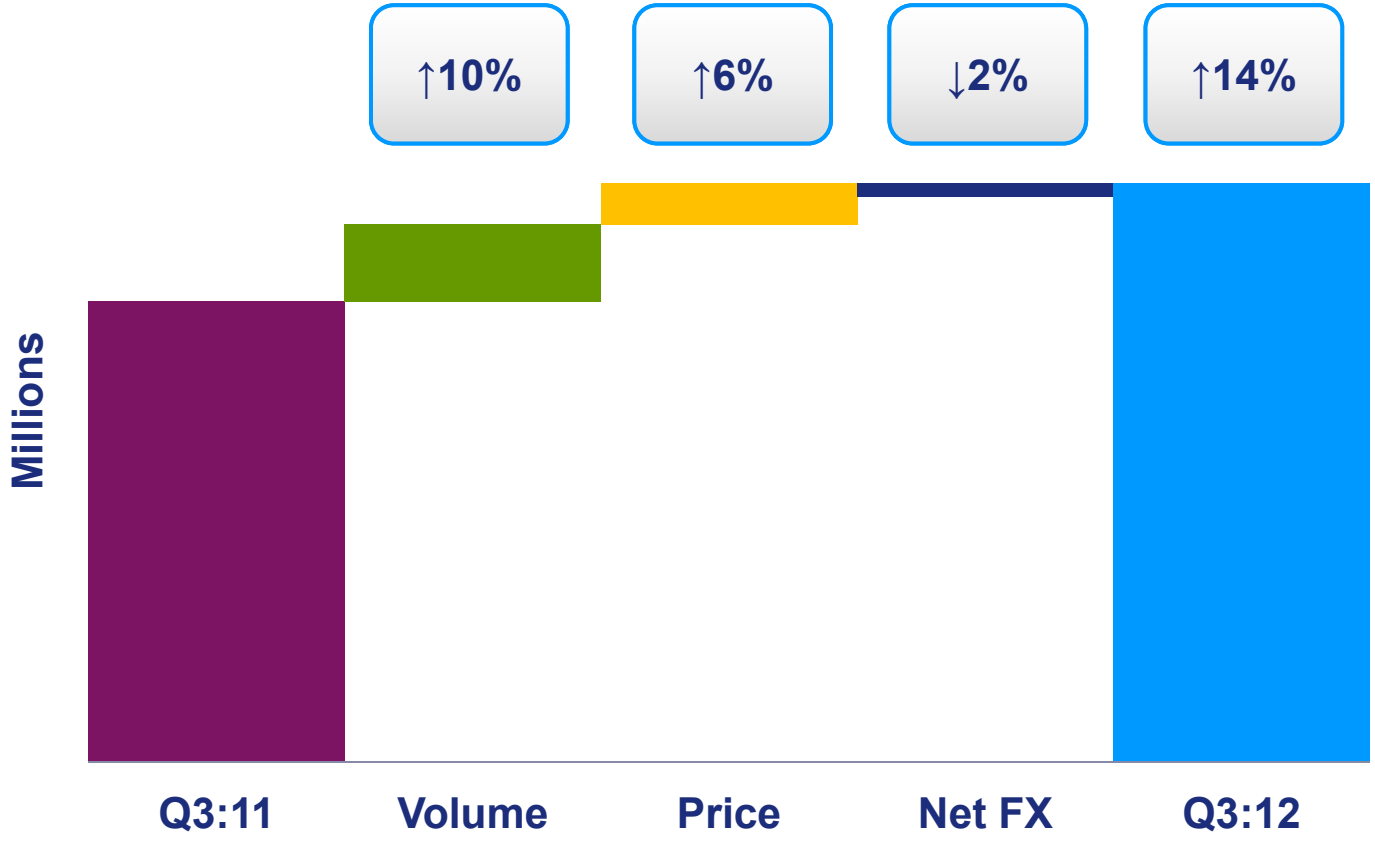
Total Adjusted Revenue



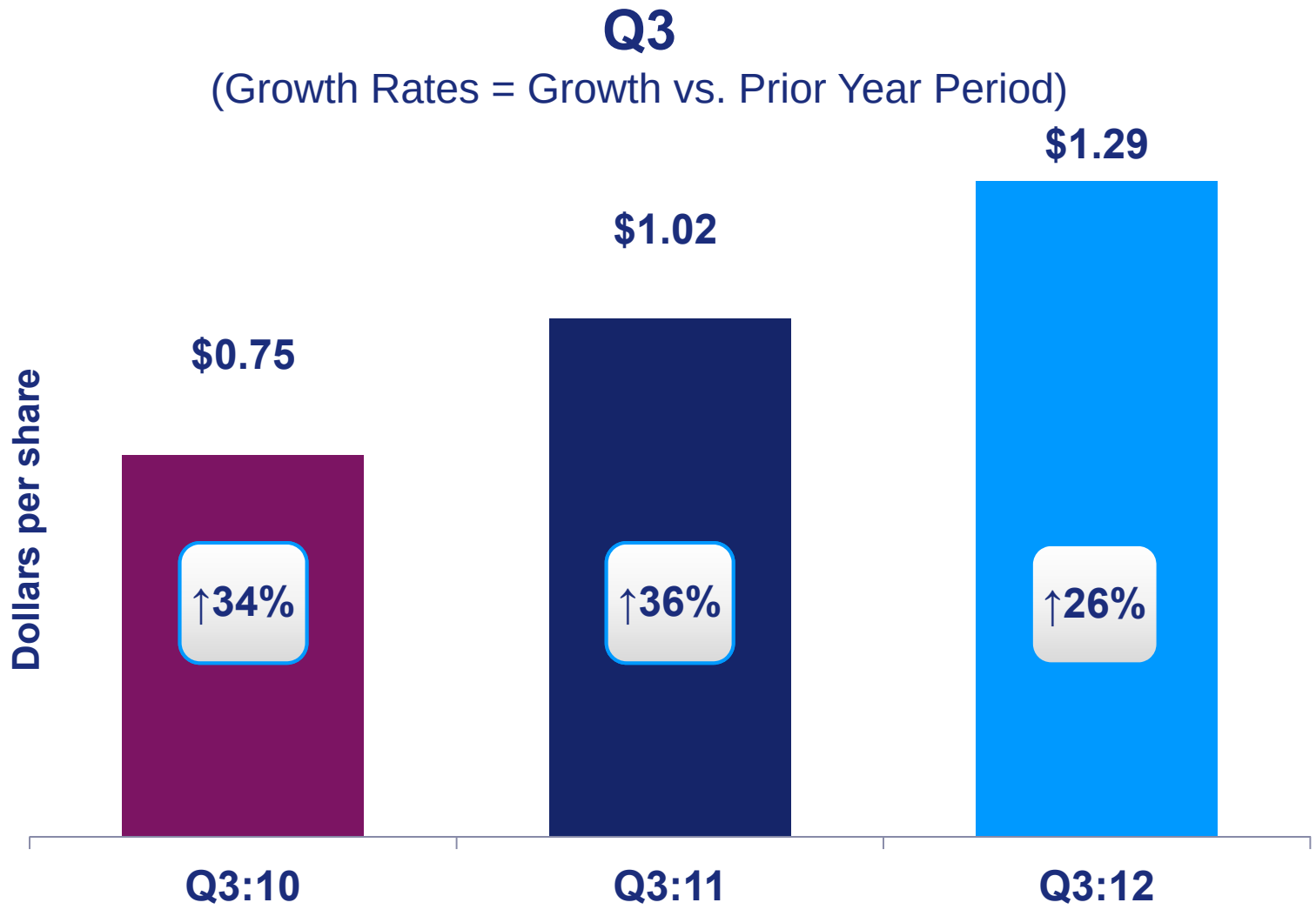
Increased Volume Drove Growth

Contribution To Total Adjusted Revenue Growth

(Growth Rates = Growth vs. Prior Year Period)

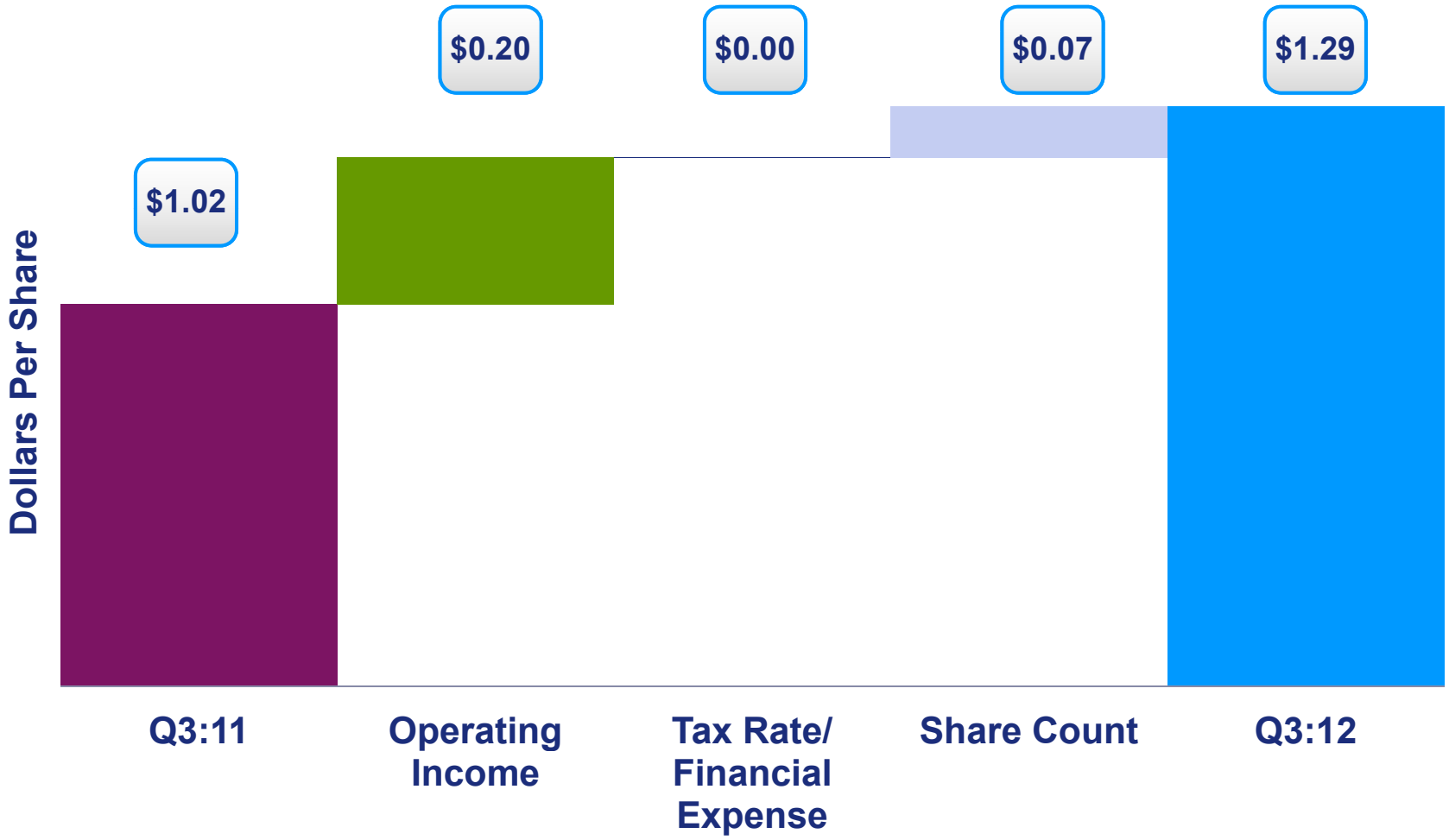


Adjusted Earnings Per Share



Operating Performance Driving Growth

Contribution To Q3:12 Adjusted EPS



Components of Revenues

(in millions)	Q3:12	Δ vs. Q3:11	Δ vs. Q2:12
Total Adjusted Net Product Sales	$1,388	↑14%	↑4%
Collaborative Revenues	$2	↓37%	↓27%
Royalty Revenues	$29	↑8%	↑7%
Total Revenues	$1,419	↑14%	↑4%

Worldwide Adjusted Net Product Sales

Net Product Sales (in millions)	Q3:12	Δ vs. Q3:11	Δ vs. Q2:12
REVLIMID Total	$970	↑18%	↑4%
U.S.	$547	↑17%	↑2%
International	$423	↑20%	↑7%
VIDAZA Total	$220	↑15%	↑9%
U.S.	$83	↑13%	↑1%
International	$137	↑16%	↑15%
ABRAXANE	$106	↓6%	↓3%
U.S.	$81	↓14%	↓7%
International	$25	↑29%	↑13%
OTHER	$92	↓1%	0%
U.S.	$65	↓4%	↓1%
International	$27	↑8%	↑3%

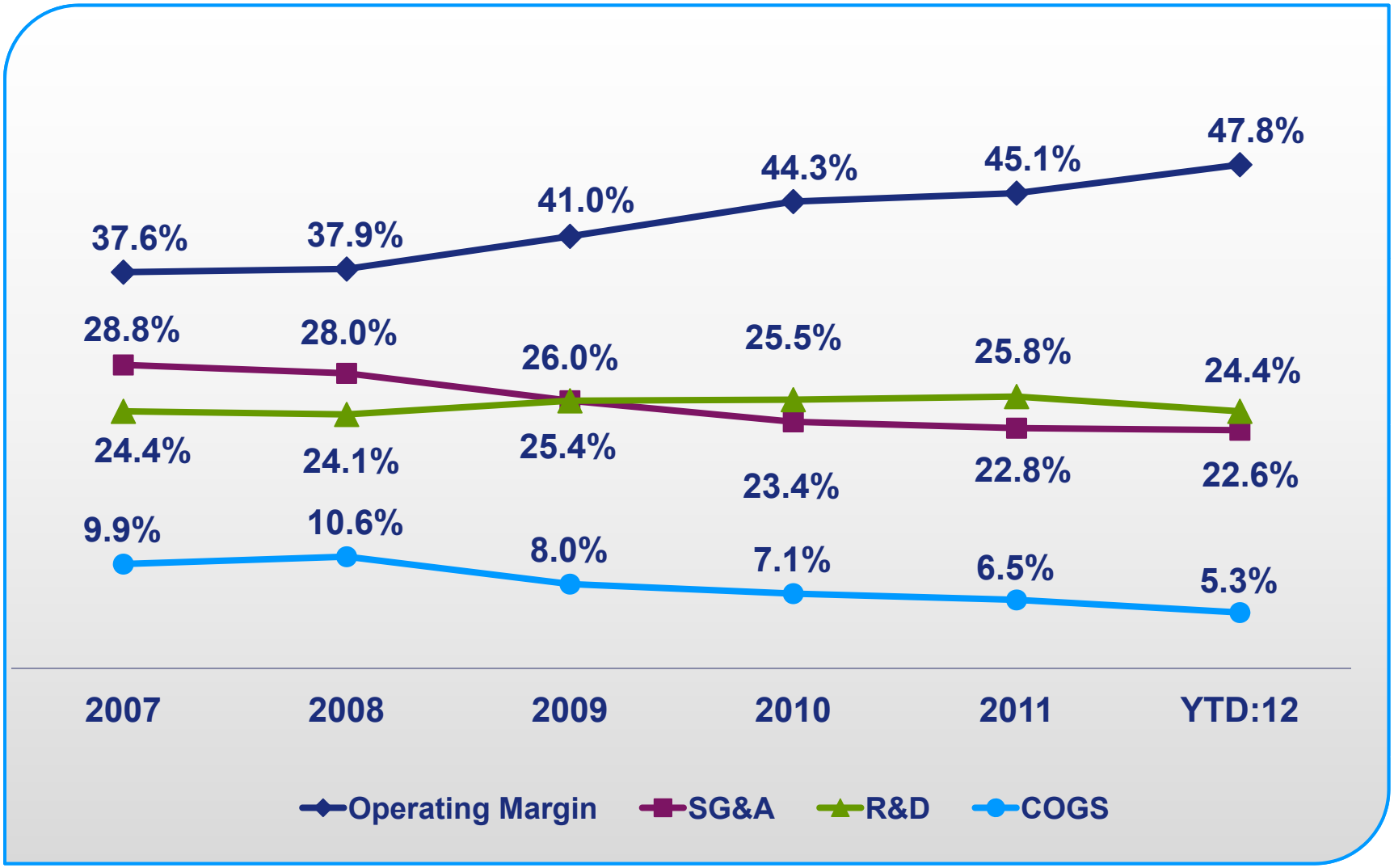
Key P&L Line Items (Adjusted)

	Q3:12	Δ vs. Q3:11	Δ vs. Q2:12
Product Gross Margins	94.9%	↑160 bps	↑10bps
R&D Expenses % of revenue	$328M 23.1%	↓150 bps	↓240 bps
SG&A Expenses % of revenue	$323M 22.7%	↑60 bps	↑100 bps
Operating Profit Margin	49.1%	↑230 bps	↑140 bps
Effective Tax Rate	16.5%	↓50 bps	–

Key P&L Line Items (Adjusted) YTD 2012

	Q1 2012	Q2 2012	Q3 2012	2012 Guidance
Product Gross Margins	94.3%	94.8%	94.9%	94.5-95.0%
R&D expenses % of revenue	$315M 24.7%	$349M 25.5%	$328M 23.1%	~25.0%
SG&A expenses % of revenue	$299M 23.5%	$296M 21.7%	$323M 22.7%	~21.0%
Operating Profit Margin	46.2%	47.8%	49.1%	~48.0%
Effective Tax Rate	16.5%	16.5%	16.5%	~16.5%

Adjusted Operating Leverage Increasing

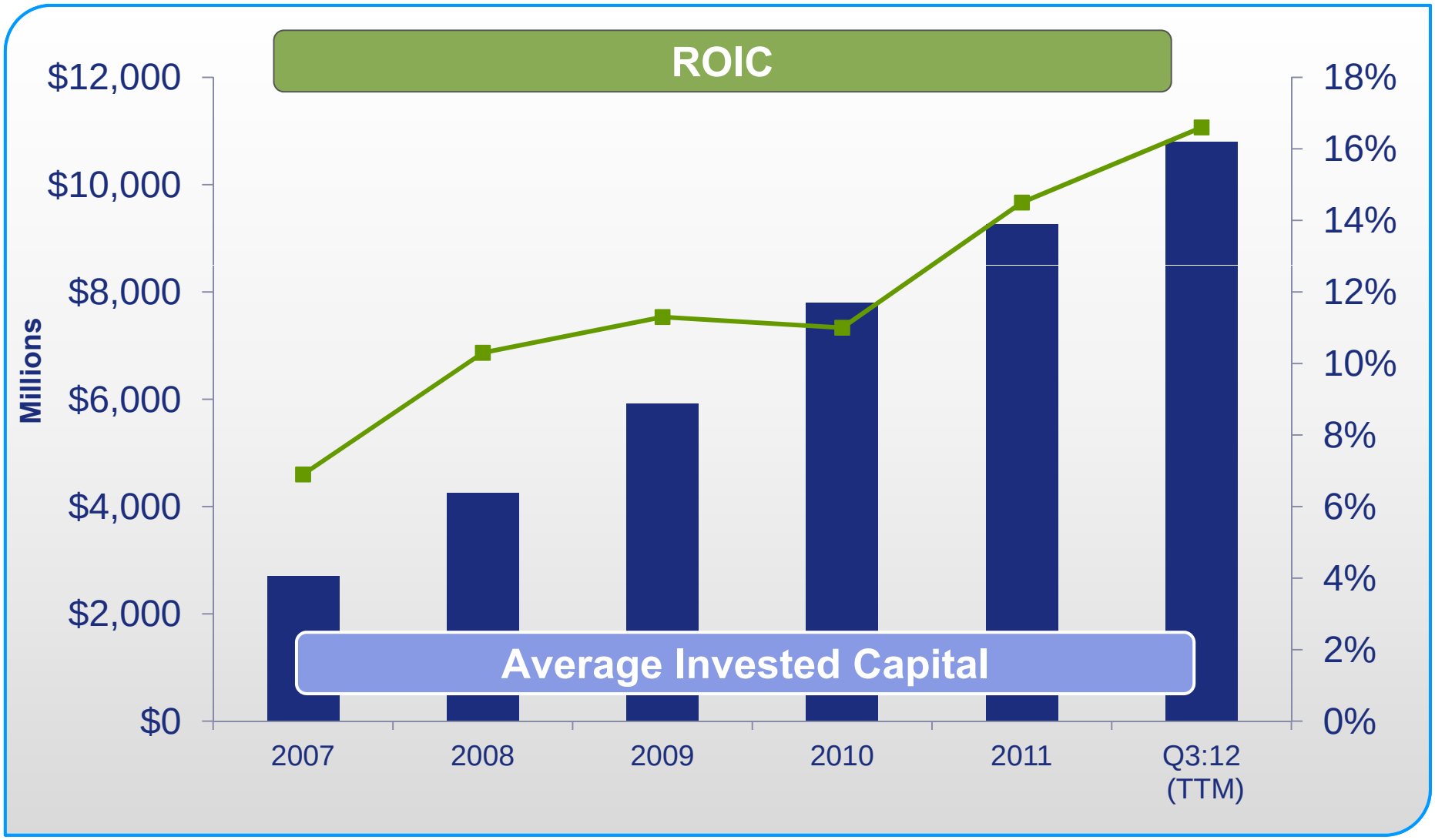


Cash and Marketable Securities

(in billions)	9/30/12	12/31/11
Cash and Marketable Securities	$3.83	$2.65

- Operations generated ~$1.5B during first 9 months of 2012
- Authorized repurchase of aggregate of $6.5B in common shares
  - In Q3, purchased 10.8M shares for total cost ~$740M
  - ~$2.4B remaining under existing stock repurchase program
- In Q3, issued $1.5B in five- and ten-year bonds

Improving Returns on Invested Capital



GAAP operating income used for all periods except for 2008. Refer to reconciliation tables in ROIC calculation methodology.

2012 Financial Outlook

All Figures Adjusted	2012 Guidance	Δ vs. 2011 Actual
Total Revenue	$5.45 - $5.55B	↑~14%*
REVLIMID	$3.75 - $3.8B	↑~18%*
Diluted EPS	$4.85 - $4.90	↑~29%*

*Using midpoint of 2012 range.

2012: Momentum and Investing for the Future

- Performance driven by volume growth and improving operating efficiency
- Strength across all operational and financial metrics
  - Growth rates, margins, balance sheet
- Continue to invest in sustaining growth
- Delivering on our key transformational milestones

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Mark Alles

Global Commercial Operating Review

- Q3:12 REVLIMID, VIDAZA, ABRAXANE performance
- Multiple drivers for continued sales growth
- Preparing for new indications and product launches

REVLIMID® Global Business Summary

- Q3 REVLIMID sales $970M*; ↑4% Q/Q , ↑18% Y/Y
  - US sales ↑2% Q/Q, ↑17% Y/Y
    - Overall multiple myeloma market leader; treatment duration continues to improve
    - Positive trends in new and total patients
  - International sales ↑7% Q/Q, ↑20% Y/Y
    - Strong performance in Latin America, Australia, Germany, UK
- Geographic expansion
  - Approvals: China (late 2012/early 2013); Brazil (2013)
  - Reimbursement: South Korea (late 2012); Russia (2013)
- Multiple clinical and regulatory catalysts
  - MM-015, IFM, CALGB follow-up continues
  - MM-020 interim results Q1:13
  - Expect CHMP opinion on low-risk MDS del 5q indication in H1:13
  - Plan to submit sNDA for mantle cell lymphoma by YE:12
  - Advancing Phase III studies in NHL and CLL

* Adjusted net product sales

Expanding our Global Multiple Myeloma Franchise
Pomalidomide: Meeting an Unmet Need

- IMiDs® are differentiated therapies for the treatment of multiple myeloma
- REVLIMID development in all lines of therapy and with all novel agents
- THALOMID® remains an important treatment option

Expanding our Global Multiple Myeloma Franchise
Pomalidomide: Meeting an Unmet Need

Smoldering Myeloma → *1st Line SCT* → *2nd Line* → *3rd Line* → *Limited Treatment Options*

POM-MM-003 Demonstrates Significant Progression-Free Survival and Overall Survival Advantages in Phase III Study of Heavily Pre-Treated Myeloma Patients

Potential for ASH 2012 Late-Breaker

- IMiDs
- REVLIMID development in all lines of therapy and with all novel agents
- THALOMID® remains an important treatment option

VIDAZA® Global Business Summary

- Q3 VIDAZA sales $220M*; ↑9% Q/Q ,↑15% Y/Y
- US sales ↑1% Q/Q,↑13% Y/Y
  - Standard of care and market leader in higher risk MDS (>80%)
- International sales ↑15% Q/Q, ↑16% Y/Y
  - Strong performances in Australia, France, Germany, Italy, and UK
  - Continued market share and duration gains in key markets
- Clinical and regulatory catalysts
  - Completed accrual of VIDAZA AML-001 Phase III registration trial
  - Plan to initiate CC-486 SPA designated Phase III study in MDS by YE:12
  - Plan to initiate CC-486 SPA designated Phase III AML study by YE:12
- Advancing epigenetic strategies in solid-tumor cancers

* Adjusted net product sales

Advancing ABRAXANE®: Q3:12 Significant Clinical and Regulatory Progress

Demonstrate superior efficacy in traditional taxane indications

Develop data in indications where taxanes have had limited benefit

Non-Small Cell Lung Cancer:

- **FDA Approved October 12**
- Explore histological differences
- Additional international filings planned

Breast:

- New data in early stage disease and in combinations
- Continue international launches

Metastatic Melanoma:

- **Positive CA033 Phase III Results (PFS)**
- Currently reviewing regulatory and clinical strategy
- Data to be presented at Society for Melanoma Research Conference November 11

Pancreatic Cancer:

- Phase III complete, data in Q4:12
- If positive, sNDA submission planned in 2013

Q3:12 ABRAXANE sales $106M*; ↓3% Q/Q, ↓6% Y/Y

– US sales ↓7% Q/Q , ↓14% Y/Y; International sales ↑13% Q/Q, ↑29% Y/Y

* Adjusted net product sales

Phase III Trial of ABRAXANE in Melanoma Meets Primary Endpoint

	ABRAXANE (N=264)	Dacarbazine (N=265)	P value
Primary Endpoint			
Progression Free Survival (mos)	4.8	2.5	0.044 HR: 0.792
Key Secondary Endpoints			
Interim Overall Survival (mos)	12.8	10.7	0.094 HR: 0.831
Objective Response Rate (ORR, %)	15%	11%	0.239
Disease Control Rate (DCR, %)	39%	27%	0.004

- **Most common grade 3/4 treatment-related AEs were neuropathy (ABRAXANE: 25% vs. dacarbazine: 0%) and neutropenia (ABRAXANE: 20% vs. dacarbazine: 10%)**
- **Median time to neuropathy improvement was 28 days**

American Society of Hematology - Dec 7-11

More than 140 Abstracts Submitted

TOPIC	REV	POM	THAL	AZA	ISTODAX®	Pipeline	Disease	TOTAL
MM	34	20	1			4		59
MDS/AML	9			19		3	3	34
Lymphoma	20			1	2	1		24
CLL	11				1		2	14
MF		2						2
Other	2					7		9
TOTAL	76	22	1	20	3	15	5	142

AMERICAN SOCIETY of HEMATOLOGY
Helping hematologists conquer blood diseases worldwide

American Society of Hematology - Dec 7-11

More than 140 Abstracts Submitted

- MM-015: Analysis of second-line REVLIMID
- MCL-001 "EMERGE": REVLIMID MCL Phase II
- REVLIMID + Ofatumumab Phase II in RR CLL
- Randomized Phase II REV or REV + Rituxan in DLBCL
- MM-005: Phase I POMALIDOMIDE + dex + bortezomib
- Safety/efficacy of CC-486 in lower-risk MDS

AMERICAN SOCIETY of HEMATOLOGY
Helping hematologists conquer blood diseases worldwide

Q3 2012 Commercial Summary

- Total net product sales grew 4% Q/Q to $1.39B, 14% Y/Y
- Strong REVLIMID® Q/Q growth led by international markets, global market share and duration gains
- Realized significant clinical and regulatory catalysts
- Commercial teams executing to deliver full year plan

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Bob Hugin

Delivering Strong Results and Building the Future

Significant Accomplishments in Q3:12

Strong Operating and Financial Results

Transformational Catalysts in Q4:12 and 2013

Investing for the Long-Term

Q3 2012 Conference Call

Q&A

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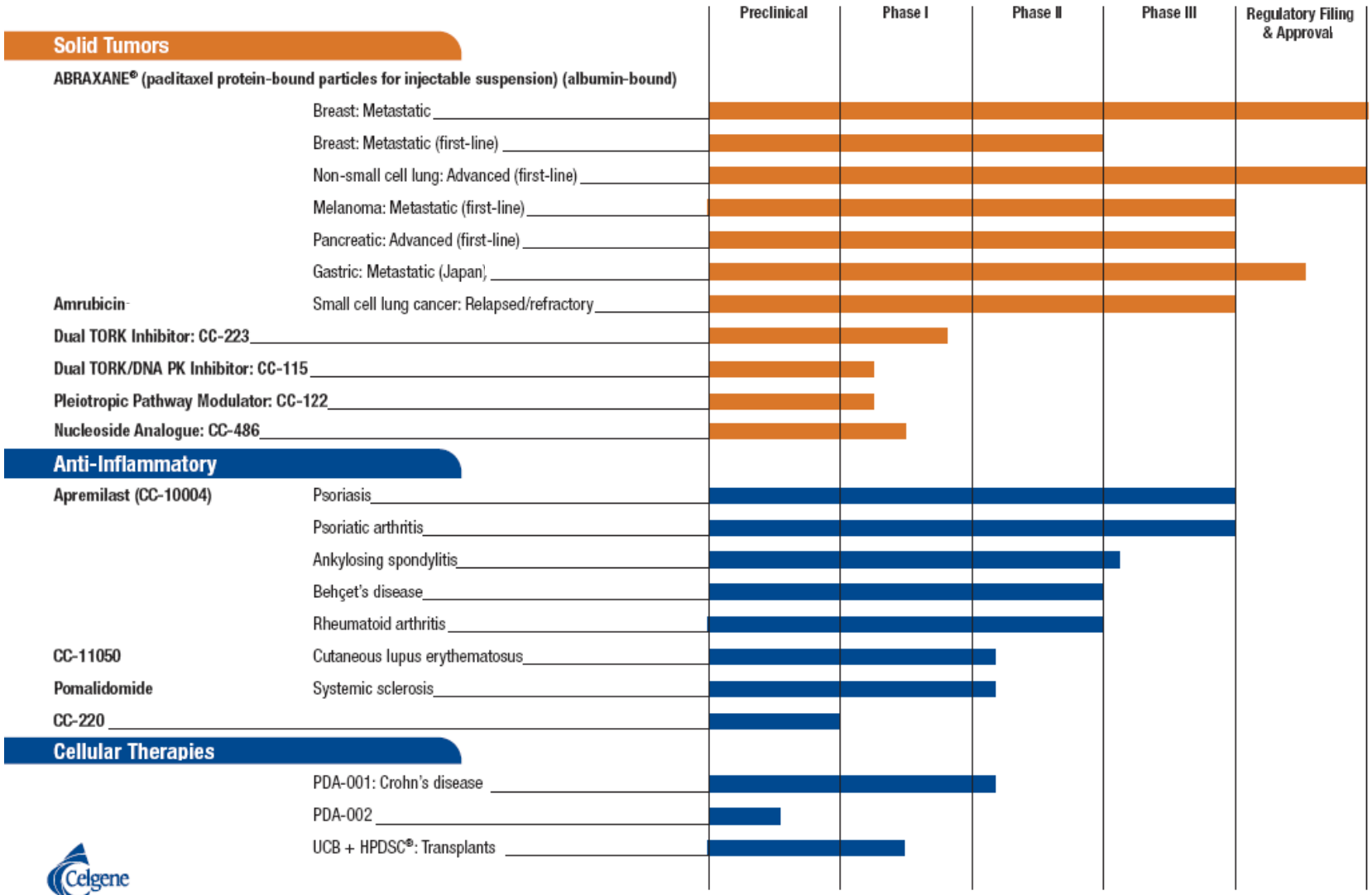
Appendix

Celgene Pipeline

		Preclinical	Phase I	Phase II	Phase III	Regulatory Filing & Approval
Multiple Myeloma (MM)						
REVLIMID® (lenalidomide)	Relapsed/refractory					
	Newly diagnosed					
	Maintenance					
THALOMID® (thalidomide)	Newly diagnosed (US)					
Thalidomide Celgene® (thalidomide)	Newly diagnosed (EU)					
Pomalidomide	Relapsed/refractory (US)					
	Relapsed/refractory (EU)					
Myelodysplastic Syndromes (MDS)						
REVLIMID® (lenalidomide)	Deletion 5q (US)					
	Deletion 5q (EU)					
	Non-deletion 5q					
VIDAZA® (azacitidine for injection)						
Nucleoside Analogue: CC-486	Lower-risk					
Acute Myeloid Leukemia (AML)						
VIDAZA® (azacitidine for injection)	AML (20%-30% blasts) (EU)					
	AML (>30% blasts) (EU)					
REVLIMID® (lenalidomide) & VIDAZA® (azacitidine for injection)						
Nucleoside Analogue: CC-486	Post-induction AML maintenance					
Myelofibrosis						
Pomalidomide						

Celgene Pipeline

Celgene Pipeline



Multiple Myeloma Late Stage Programs

Molecule	Revlimid (lenalidomide)	Revlimid (lenalidomide)	Revlimid (lenalidomide)	Revlimid (lenalidomide)	Pomalidomide
Trial Name	MM-015	CALGB 100104	IFM 2009-05	MM-020 FIRST	MM-003 NIMBUS
Phase	Phase III	Phase III	Phase III	Phase III	Phase III
Indication	ndMM & maintenance	Post-ASCT maintenance	Post-ASCT maintenance	ndMM	RRMM
Target Enrollment	459	460	614	1,623	426
Design	Arm A: MPR+R Arm B: MPR Arm C: MP	Arm A: Revlimid Arm B: Placebo	Arm A: Revlimid Arm B: Placebo	Arm A: Rd to progression Arm B: Rd fixed Arm C: MPT	Arm A: Pd Arm B: HiDex
Primary Endpoint	PFS	TTP	PFS	PFS	PFS
Status	Completed; Continuing follow-up	Completed; Continuing follow-up	Completed; Continuing follow-up	Enrollment complete; Data in Q1:13(E)	Enrollment complete; Data possible at ASH 2012

MDS/AML/MF Late Stage Programs

Molecule	Revlimid (lenalidomide)	Vidaza (azacitidine)	CC-486	CC-486	Pomalidomide
Trial Name	MDS-005	AZA-AML-001	Quazar Lower-Risk MDS AZA-MDS-003	Quazar AML Maintenance CC-486-AML-001	MF-002 RESUME
Phase	Phase III	Phase III	Phase III	Phase III	Phase III
Indication	Non-del5Q Low Risk/INT-1 MDS	AML	Lower Risk MDS	Post-induction AML maintenance	Myelofibrosis
Target Enrollment	228	480	386	460	210
Design	Arm A: Revlimid Arm B: Placebo	Arm A: Vidaza Arm B: Conventional Care	Arm A: CC-486 Arm B: BSC	Arm A: CC-486 Arm B: BSC	Arm A: Pomalidomide Arm B: Placebo
Primary Endpoint	RBC-transfusion independence	OS	RBC-transfusion independence	OS	RBC-transfusion independence
Status	Enrolling	Enrollment complete; Data in H2:13(E)	Enrollment to open Q4:12(E)	Enrollment to open Q4:12(E)	Enrollment complete; Data in 2013(E)

CLL Late Stage Programs

Molecule	Revlimid (lenalidomide)	Revlimid (lenalidomide)
Trial Name	CLL-008 ORIGIN	CLL-002 CONTINUUM
Phase	Phase III	Phase III
Indication	Elderly 1st Line CLL	CLL maintenance
Target Enrollment	428	400
Design	Arm A: Revlimid Arm B: Chlorambucil	Arm A: Revlimid Arm B: Placebo
Primary Endpoint	PFS	OS, PFS
Status	Enrolling	Enrolling

Lymphoma Late Stage Programs

Molecule	Revlimid (lenalidomide)	Revlimid (lenalidomide)	Revlimid (lenalidomide)	Revlimid (lenalidomide)	Revlimid (lenalidomide)
Trial Name	MCL-001 EMERGE	MCL-002 SPRINT	DCL-001	REMARC	RELEVANCE
Phase	Phase II	Phase II	Phase II/III	Phase III	Phase III
Indication	Rel MCL	Rel/Ref MCL	Rel/Ref DLBCL	Maintenance in DLBCL	Untreated FL
Target Enrollment	133	250	Phase II 100 Phase III 148	621	1000
Design	Single arm Revlimid	Arm A: Revlimid Arm B: Investigator's choice	Arm A: Revlimid Arm B: Investigator's choice	Arm A: Revlimid Arm B: Placebo	Arm A: Revlimid + Rituxan (R^2) 6 cycles - R^2 maintenance Arm B: Rituxan – Chemo (up to 8 cycles) – Rituxan maintenance
Primary Endpoint	Tumor response; duration of response	PFS	Phase II ORR Phase III PFS	PFS	CR/CRu rate; PFS
Status	Enrollment complete; Filing expected Q4 2012	Enrolling	Enrolling	Enrolling	Enrolling

Solid Tumor Late Stage Programs

Molecule	Abraxane (nab-paclitaxel)	Abraxane (nab-paclitaxel)	Abraxane (nab-paclitaxel)	Abraxane (nab-paclitaxel)
Trial Name	GBG 52	GBG 69	GBG 68	ETNA
Phase	Phase II	Phase III	Phase III	Phase III
Indication	Adjuvant Elderly Breast Cancer	Neoadjuvant Breast Cancer	Adjuvant Breast Cancer	Neoadjuvant Breast Cancer
Target Enrollment	400	1200	2000	630
Design	Arm A: Abraxane/ capecitabine Arm B: Standard chemo + epirubicin	Arm A: Abraxane Arm B: Paclitaxel	Arm A: Abraxane Arm B: Docetaxel	Arm A: Abraxane Arm B: Paclitaxel
Primary Endpoint	DFS	pCR	DFS	pCR
Status	Enrolling	Enrolling	Enrolling	Enrollment to begin soon

Solid Tumor Late Stage Programs

Molecule	Abraxane (nab-paclitaxel)	Abraxane (nab-paclitaxel)	Abraxane (nab-paclitaxel)
Trial Name	ADAPT	CA033	CA046
Phase	Phase III	Phase III	Phase III
Indication	Neo-adjuvant/ Adjuvant	Malignant melanoma	Pancreatic cancer
Target Enrollment	2200	514	842
Design	Arm A: Abraxane Arm B: Paclitaxel	Arm A: Abraxane Arm B: Dacarbazine	Arm A: Abraxane/ gemcitabine Arm B: Gemcitabine
Primary Endpoint	DFS/pCR	PFS	OS
Status	Starting up	Enrollment complete; Data to be presented at SMR 2012	Enrollment complete: Data expected in Q4:12

I&I Late Stage Programs

Molecule	Apremilast	Apremilast	Apremilast	Apremilast	Apremilast
Trial Name	PALACE-1	PALACE-2	PALACE-3	ESTEEM-1	ESTEEM-1
Phase	Phase III	Phase III	Phase III	Phase III	Phase III
Indication	Psoriatic Arthritis	Psoriatic Arthritis	Psoriatic Arthritis with skin lesions	Psoriasis	Psoriasis
Target Enrollment	495	495	495	825	405
Design	Arm A: Apremilast 30mg Arm B: Apremilast 20mg Arm C: Placebo	Arm A: Apremilast 30mg Arm B: Apremilast 20mg Arm C: Placebo	Arm A: Apremilast 30mg Arm B: Apremilast 20mg Arm C: Placebo	Arm A: Apremilast Arm B: Placebo	Arm A: Apremilast Arm B: Placebo
Primary Endpoint	ACR20	ACR20	ACR20	PASI75	PASI75
Status	Enrollment complete; Top line data Jul 2012	Enrollment complete; Top line data Sep 2012	Enrollment complete; Top line data Sep 2012	Enrollment complete; Data expected Q4:12	Enrollment complete; Data expected Q1:13

I&I Late Stage Programs

Molecule	Apremilast	Apremilast
Trial Name	PALACE-4	POSTURE
Phase	Phase III	Phase III
Indication	Untreated psoriatic arthritis	Anklylosing Spondylitis
Target Enrollment	495	456
Design	Arm A: Apremilast 30mg Arm B: Apremilast 20mg Arm C: Placebo	Arm A: Apremilast 30mg Arm B: Apremilast 20mg Arm C: Placebo
Primary Endpoint	ACR20	ASAS20
Status	Enrollment Complete; Data expected Q1:13	Enrolling; Data expected Q1:14

Reconciliation Tables

Reconciliation Tables

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

	Three-Month Periods Ended September 30,		Nine-Month Periods Ended September 30,	
	2012	2011	2012	2011
Net product sales	$ 1,388,013	$ 1,219,118	$ 3,970,102	$ 3,457,055
Other revenue	31,238	30,619	89,201	101,118
Total revenue	1,419,251	1,249,737	4,059,303	3,558,173
Cost of goods sold (excluding amortization of acquired intangible assets)	74,622	94,645	218,994	348,356
Research and development	441,595	356,839	1,250,737	1,163,837
Selling, general and administrative	354,644	303,303	1,003,449	911,207
Amortization of acquired intangible assets	46,157	75,044	132,065	214,181
Acquisition related (gains) charges and restructuring, net	649	(11,209)	28,864	(117,430)
Total costs and expenses	917,667	818,622	2,634,109	2,520,151
Operating income	501,584	431,115	1,425,194	1,038,022
Other income (expense), net	(25,082)	(18,474)	(34,006)	(20,162)
Income before income taxes	476,502	412,641	1,391,188	1,017,860
Income tax provision	52,347	39,657	198,123	110,582
Net income	424,155	372,984	1,193,065	907,278
Non-controlling interest	-	-	-	694
Net income attributable to Celgene	$ 424,155	$ 372,984	$ 1,193,065	$ 907,972
Net income per share attributable to Celgene:				
Basic	$ 0.99	$ 0.83	$ 2.75	$ 1.97
Diluted	$ 0.97	$ 0.81	$ 2.69	$ 1.94
Weighted average shares:				
Basic	427,209	452,019	434,062	460,161
Diluted	436,272	459,530	443,432	467,052

	September 30, 2012	December 31, 2011
Balance sheet items:		
Cash, cash equivalents & marketable securities	$ 3,832,936	$ 2,648,154
Total assets	11,608,827	10,005,910
Short-term borrowings	324,895	526,684
Long-term debt	2,769,313	1,275,585
Total stockholders' equity	5,728,710	5,512,727

Reconciliation Tables

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

		Three-Month Periods Ended September 30,		Nine-Month Periods Ended September 30,	
		2012	2011	2012	2011
Net income attributable to Celgene - GAAP		$ 424,155	$ 372,984	$ 1,193,065	$ 907,972
Before tax adjustments:					
Total revenues:					
Sales of products exited or to be exited	(1)	-	(1,468)	-	(24,936)
Abraxis non-core other revenues	(2)	-	-	-	(1,714)
Cost of goods sold (excluding amortization of acquired intangible assets):					
Share-based compensation expense	(3)	3,314	2,627	9,173	7,054
Abraxis inventory step-up	(4)	-	6,945	-	90,278
Products exited or to be exited	(2)	(13)	4,008	(1,994)	19,288
Research and development:					
Share-based compensation expense	(3)	27,274	24,527	75,858	79,999
Abraxis non-core activities	(2)	-	-	-	8,728
IPR&D impairments	(5)	31,202	-	53,353	118,000
Upfront collaboration payments	(6)	55,000	25,000	130,000	65,982
Selling, general and administrative:					
Share-based compensation expense	(3)	32,119	27,198	86,010	75,905
Abraxis non-core activities	(2)	-	-	-	15,065
Amortization of acquired intangible assets	(7)	46,157	75,044	132,065	214,181
Acquisition related (gains) charges and restructuring, net:					
Change in fair value of contingent consideration	(8)	649	(11,377)	26,287	(122,547)
Acquisition and restructuring costs	(8)	-	168	2,577	5,117
Other income (expense), net					
EntreMed, Inc. equity method loss	(9)	-	53	-	542
Abraxis non-core activities	(2)	-	-	-	2,036
Gain on divestment of non-core activities	(10)	-	-	-	(2,931)
Non-controlling interest -Abraxis	(2)	-	-	-	(694)
Net income tax adjustments	(11)	(58,566)	(56,455)	(116,122)	(177,475)
Net income attributable to Celgene - Adjusted		$ 561,291	$ 469,254	$ 1,590,272	$ 1,279,850
Net income per share attributable to Celgene -Adjusted:					
Basic		$ 1.31	$ 1.04	$ 3.66	$ 2.78
Diluted		$ 1.29	$ 1.02	$ 3.59	$ 2.74

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 sare 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. See the attached Reconciliations of GAAP to Adjusted Net Income for explanations of the amounts excluded and included to arrive aa Adjusted net income and adjusted earnings per share amounts for the three- and nine-month periods ended September 30, 2012 and 2011, and for the projected amounts for the year ending December 31, 2012.

Reconciliation Tables

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 $62,707 for the three-month period ended September 30, 2012 and $54,352 for the three-month period ended September 30, 2011. Exclude share-based compensation expense totaling $171,041 for the nine-month period ended September 30, 2012 and $162,958 for the nine-month period ended September 30, 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, impairment for the three-and nine-month periods ended September 30, 2012 related to obtaining approval for ISTODAX for the treatment of peripheral T-cell lymphoma, or PTCL, in the European Union. Exclude IPR&D impairment for the nine-month period ended September 30, 2011 related to a reduction in the probability of obtaining progression free survival labeling for the treatment of non-small cell lung cancer for ABRAXANE in the United States.

(6) Exclude upfront payments for research and development collaboration arrangements.

(7) 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.

(8) Exclude acquisition related charges and restructuring related to Gloucester, Abraxis and Avila.

(9) Exclude the Company's share of EntreMed, Inc. equity losses in 2011.

(10) Exclude the 2011 gain recognized on divestment of non-core activities obtained in the acquisition of Abraxis.

(11) 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 2012 Projected GAAP to Adjusted Net Income

(In thousands, except per share data)

	Range	
	Low	High
Projected net income - GAAP	$ 1,622,000	$ 1,674,000
Before tax adjustments:		
Cost of goods sold (excluding amortization of acquired intangible assets):		
Share-based compensation expense	13,000	11,000
Research and development:		
Share-based compensation expense	104,000	93,000
IPR&D impairments	53,000	53,000
Upfront collaboration payments	165,000	160,000
Selling, general and administrative:		
Share-based compensation expense	115,000	104,000
Amortization of acquired intangible assets	200,000	194,000
Acquisition related (gains) charges and restructuring, net:		
Change in fair value of contingent consideration	29,000	29,000
Acquisition and restructuring costs	3,000	3,000
Net income tax adjustments	(160,000)	(155,000)
Projected net income - Adjusted	$ 2,144,000	$ 2,166,000
Projected net income per diluted common share - GAAP	$ 3.67	$ 3.79
Projected net income per diluted common share - Adjusted	$ 4.85	$ 4.90
Projected weighted average diluted shares	442,000	442,000

Reconciliation Tables

Return on Invested Capital Calculation

Return on Invested Capital (ROIC)						
	Q3 2012 - TTM	2011	2010	2009	2008	2007
Operating income	1,829,925	1,442,753	989,635	841,526	(1,464,218)	425,121
Certain charges (1)					2,043,069	
Non-GAAP operating income	1,829,925	1,442,753	989,635	841,526	578,851	425,121
Effective tax rate	11%	7%	13%	20%	24%	56%
Non-GAAP operating income after tax	1,636,397	1,339,017	860,221	669,930	439,272	186,203
Total equity	5,728,710	5,512,727	5,995,472	4,394,606	3,491,328	2,843,944
Certain charges (1)	1,979,510	1,979,510	1,979,510	1,979,510	1,979,510	
Total debt	3,094,208	1,802,269	1,247,584	-	-	196,555
Total capital	10,802,428	9,294,506	9,222,566	6,374,116	5,470,838	3,040,499
Total capital beginning of period	8,861,915	9,222,566	6,374,116	5,470,838	3,040,499	2,376,066
Total capital end of period	10,802,428	9,294,506	9,222,566	6,374,116	5,470,838	3,040,499
Average total capital	9,832,172	9,258,536	7,798,341	5,922,477	4,255,669	2,708,283
ROIC	**16.6%**	**14.5%**	**11.0%**	**11.3%**	**10.3%**	**6.9%**

(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.