

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

	Three-Month Periods Ended		Twelve-Month Periods Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Net product sales	\$ 2,054.9	\$ 1,724.9	\$ 7,563.8	\$ 6,362.3
Other revenue	30.6	31.0	106.6	131.6
Total revenue	<u>2,085.5</u>	<u>1,755.9</u>	<u>7,670.4</u>	<u>6,493.9</u>
Cost of goods sold (excluding amortization of acquired intangible assets)	103.2	92.8	385.9	340.4
Research and development	584.9	731.2	2,430.6	2,226.2
Selling, general and administrative	544.4	448.7	2,027.9	1,684.5
Amortization of acquired intangible assets	63.6	65.7	258.3	262.8
Acquisition related charges, net	37.7	91.7	48.7	171.1
Total costs and expenses	<u>1,333.8</u>	<u>1,430.1</u>	<u>5,151.4</u>	<u>4,685.0</u>
Operating income	751.7	325.8	2,519.0	1,808.9
Interest and investment income, net	7.6	7.4	28.2	22.0
Interest (expense)	(51.7)	(30.1)	(176.1)	(91.6)
Other income (expense), net	3.2	(85.9)	(43.7)	(73.9)
Income before income taxes	710.8	217.2	2,327.4	1,665.4
Income tax provision	96.9	2.8	327.5	215.5
Net income	<u>\$ 613.9</u>	<u>\$ 214.4</u>	<u>\$ 1,999.9</u>	<u>\$ 1,449.9</u>
Net income per common share: ⁽¹⁾				
Basic	\$ 0.77	\$ 0.26	\$ 2.49	\$ 1.75
Diluted	\$ 0.74	\$ 0.25	\$ 2.39	\$ 1.68
Weighted average shares: ⁽¹⁾				
Basic	800.2	822.4	802.7	827.7
Diluted	834.6	857.2	836.0	860.6

	December 31, 2014	December 31, 2013
Balance sheet items:		
Cash, cash equivalents & marketable securities	\$ 7,546.7	\$ 5,687.0
Total assets	17,340.1	13,378.2
Short-term borrowings	605.9	544.8
Long-term debt	6,265.7	4,196.5
Total stockholders' equity	6,524.8	5,589.9

⁽¹⁾ Following stockholder approval, the Company amended its certificate of incorporation on June 18, 2014, to increase the number of authorized shares of common stock from 575.0 million to 1.150 billion and effect a two-for-one stock split of its outstanding common stock. Accordingly, all share and per share amounts presented herein reflect the impact of the stock split.

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

	Three-Month Periods Ended		Twelve-Month Periods Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Net income - GAAP	\$ 613.9	\$ 214.4	\$ 1,999.9	\$ 1,449.9
Before tax adjustments:				
Cost of goods sold (excluding amortization of acquired intangible assets):				
Share-based compensation expense	(1) 7.4	5.9	26.2	18.5
Research and development:				
Share-based compensation expense	(1) 55.3	44.2	196.5	144.7
Upfront collaboration expense	(2) 52.0	227.0	453.6	575.8
IPR&D impairment	(3) -	-	129.2	-
Selling, general and administrative:				
Share-based compensation expense	(1) 65.7	48.3	224.9	162.6
Settlement of contingent obligation	(4) -	-	25.0	-
Amortization of acquired intangible assets	(5) 63.6	65.7	258.3	262.8
Acquisition related charges, net:				
Change in fair value of contingent consideration	(6) 37.7	91.7	48.7	171.1
Other income (expense), net				
Non-operating asset impairment	(7) -	80.0	-	80.0
Net income tax adjustments	(8) (55.4)	(128.2)	(263.7)	(302.3)
Net income - Adjusted	<u>\$ 840.2</u>	<u>\$ 649.0</u>	<u>\$ 3,098.6</u>	<u>\$ 2,563.1</u>
Net income per common share - Adjusted				
Basic	\$ 1.05	\$ 0.79	\$ 3.86	\$ 3.10
Diluted	\$ 1.01	\$ 0.76	\$ 3.71	\$ 2.98

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 financial 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 share-based compensation expense totaling \$128.4 for the three-month period ended December 31, 2014 and \$98.4 for the three-month period ended December 31, 2013. Exclude share-based compensation expense totaling \$447.6 for the twelve-month period ended December 31, 2014 and \$325.8 for the twelve-month period ended December 31, 2013.
- (2) Exclude upfront payment expense for research and development collaboration arrangements.
- (3) Exclude in-process research and development (IPR&D) impairment recorded as a result of changes in estimated probability-weighted cash flows related to CC-292.
- (4) Exclude settlement of a contingent obligation to make matching contributions to a non-profit organization.
- (5) Exclude amortization of intangible assets acquired in the acquisitions of Pharmion Corp., Gloucester Pharmaceuticals, Inc. (Gloucester), Abraxis BioScience Inc. (Abraxis) and Celgene Avilomics Research, Inc. (Avila).
- (6) Exclude changes in the fair value of contingent consideration related to the acquisitions of Gloucester, Abraxis, Avila and Nogra Pharma Limited.
- (7) Exclude impairment of royalty receivable asset that was received in April 2011 as partial consideration in the sale of the non-core assets obtained by Celgene in the acquisition of Abraxis.
- (8) Net income tax adjustments reflect the estimated tax effect of the above adjustments and the impact of certain other non-operating tax adjustments, including the effects of acquisition related matters, adjustments to the

amount of unrecognized tax benefits, and nonrecurring items connected with the launch of new products.

Celgene Corporation and Subsidiaries
Reconciliation of Full-Year 2015 Projected GAAP to Adjusted Net Income
(In millions, except per share data)

	Range	
	Low	High
Projected net income - GAAP	(1) \$ 3,056.7	\$ 3,256.7
Before tax adjustments:		
Cost of goods sold (excluding amortization of acquired intangible assets):		
Share-based compensation expense	36.5	34.0
Research and development:		
Share-based compensation expense	268.9	255.4
Selling, general and administrative:		
Share-based compensation expense	304.0	292.1
Amortization of acquired intangible assets	254.6	254.6
Acquisition related charges, net:		
Change in fair value of contingent consideration	125.3	100.1
Net income tax adjustments	(228.0)	(250.4)
Projected net income - Adjusted	\$ 3,818.0	\$ 3,942.5
Projected net income per diluted common share - GAAP	\$ 3.68	\$ 3.92
Projected net income per diluted common share - Adjusted	\$ 4.60	\$ 4.75
Projected weighted average diluted shares	830.0	830.0

- (1) Our projected 2015 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 may occur after the day prior to the date of this press release.

Celgene Corporation and Subsidiaries
Net Product Sales
(In millions)

	Three-Month Periods				
	Ended December 31,		% Change		
	2014	2013	Reported	Operational ⁽¹⁾	Currency ⁽²⁾
REVLIMID®					
U.S.	\$ 797.5	\$ 663.4	20.2%	20.2%	0.0%
International	525.0	472.8	11.0%	14.6%	(3.6)%
Worldwide	<u>1,322.5</u>	<u>1,136.2</u>	16.4%	17.9%	(1.5)%
ABRAXANE®					
U.S.	171.5	159.0	7.9%	7.9%	0.0%
International	64.4	42.8	50.5%	52.2%	(1.7)%
Worldwide	<u>235.9</u>	<u>201.8</u>	16.9%	17.3%	(0.4)%
POMALYST®/IMNOVID®⁽³⁾					
U.S.	131.8	89.5	47.3%	47.3%	0.0%
International	70.3	31.7	121.8%	124.0%	(2.2)%
Worldwide	<u>202.1</u>	<u>121.2</u>	66.7%	67.3%	(0.6)%
VIDAZA®					
U.S.	8.8	26.9	(67.3)%	(67.3)%	0.0%
International	144.9	140.6	3.1%	7.0%	(3.9)%
Worldwide	<u>153.7</u>	<u>167.5</u>	(8.2)%	(5.0)%	(3.2)%
azacitidine for injection					
U.S.	15.5	23.3	N/A	N/A	N/A
International	-	-	N/A	N/A	N/A
Worldwide	<u>15.5</u>	<u>23.3</u>	N/A	N/A	N/A
THALOMID®					
U.S.	40.7	42.4	(4.0)%	(4.0)%	0.0%
International	16.3	18.5	(11.9)%	(7.5)%	(4.4)%
Worldwide	<u>57.0</u>	<u>60.9</u>	(6.4)%	(5.1)%	(1.3)%
OTEZLA®⁽⁴⁾					
U.S.	47.6	-	N/A	N/A	N/A
International	-	-	N/A	N/A	N/A
Worldwide	<u>47.6</u>	<u>-</u>	N/A	N/A	N/A
ISTODAX®					
U.S.	15.9	12.8	24.2%	24.2%	0.0%
International	0.8	0.8	0.0%	2.0%	(2.0)%
Worldwide	<u>16.7</u>	<u>13.6</u>	22.8%	22.9%	(0.1)%
All Other					
U.S.	3.2	-	N/A	N/A	N/A
International	0.7	0.4	N/A	N/A	N/A
Worldwide	<u>3.9</u>	<u>0.4</u>	N/A	N/A	N/A
Total Net Product Sales					
U.S.	1,232.5	1,017.3	21.2%	21.2%	0.0%
International	822.4	707.6	16.2%	19.7%	(3.5)%
Worldwide	<u>\$ 2,054.9</u>	<u>\$ 1,724.9</u>	19.1%	20.5%	(1.4)%

(1) - Operational includes impact from both volume and price

(2) - Currency includes the impact from both foreign exchange rates and hedging activities

(3) - POMALYST® was approved in the U.S. on February 8, 2013; IMNOVID® was approved in the EU on August 5, 2013

(4) - OTEZLA® was approved in the U.S. for Psoriatic Arthritis on March 21, 2014 and approved in the U.S. for Psoriasis on September 23, 2014.

Celgene Corporation and Subsidiaries
Net Product Sales
(In millions)

	Twelve-Month Periods				
	Ended December 31,		% Change		
	2014	2013	Reported	Operational ⁽¹⁾	Currency ⁽²⁾
REVLIMID®					
U.S.	\$ 2,915.7	\$ 2,488.7	17.2%	17.2%	0.0%
International	2,064.3	1,791.6	15.2%	15.6%	(0.4)%
Worldwide	<u>4,980.0</u>	<u>4,280.3</u>	16.3%	16.4%	(0.1)%
ABRAXANE®					
U.S.	624.5	504.7	23.7%	23.7%	0.0%
International	223.7	144.2	55.1%	55.1%	0.0%
Worldwide	<u>848.2</u>	<u>648.9</u>	30.7%	30.7%	0.0%
POMALYST®/IMNOVID®⁽³⁾					
U.S.	443.0	246.0	80.1%	80.1%	0.0%
International	236.7	59.4	298.5%	302.7%	(4.2)%
Worldwide	<u>679.7</u>	<u>305.4</u>	122.6%	123.4%	(0.8)%
VIDAZA®					
U.S.	42.8	275.5	(84.5)%	(84.5)%	0.0%
International	569.1	527.8	7.8%	8.4%	(0.6)%
Worldwide	<u>611.9</u>	<u>803.3</u>	(23.8)%	(23.4)%	(0.4)%
azacitidine for injection					
U.S.	78.2	23.3	N/A	N/A	N/A
International	-	-	N/A	N/A	N/A
Worldwide	<u>78.2</u>	<u>23.3</u>	N/A	N/A	N/A
THALOMID®					
U.S.	152.6	166.9	(8.6)%	(8.6)%	0.0%
International	68.6	77.6	(11.6)%	(11.1)%	(0.5)%
Worldwide	<u>221.2</u>	<u>244.5</u>	(9.5)%	(9.3)%	(0.2)%
OTEZLA®⁽⁴⁾					
U.S.	69.8	-	N/A	N/A	N/A
International	-	-	N/A	N/A	N/A
Worldwide	<u>69.8</u>	<u>-</u>	N/A	N/A	N/A
ISTODAX®					
U.S.	61.4	49.9	23.0%	23.0%	0.0%
International	4.2	4.1	2.4%	0.3%	2.1%
Worldwide	<u>65.6</u>	<u>54.0</u>	21.5%	21.3%	0.2%
All Other					
U.S.	6.7	0.4	N/A	N/A	N/A
International	2.5	2.2	N/A	N/A	N/A
Worldwide	<u>9.2</u>	<u>2.6</u>	N/A	N/A	N/A
Total Net Product Sales					
U.S.	4,394.7	3,755.4	17.0%	17.0%	0.0%
International	3,169.1	2,606.9	21.6%	22.1%	(0.5)%
Worldwide	<u>\$ 7,563.8</u>	<u>\$ 6,362.3</u>	18.9%	19.1%	(0.2)%

(1) - Operational includes impact from both volume and price

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