

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

	Three-Month Periods Ended December 31,		Twelve-Month Periods Ended December 31,	
	2015	2014	2015	2014
Net product sales	\$ 2,539.2	\$ 2,054.9	\$ 9,161.1	\$ 7,563.8
Other revenue	24.1	30.6	94.9	106.6
Total revenue	<u>2,563.3</u>	<u>2,085.5</u>	<u>9,256.0</u>	<u>7,670.4</u>
Cost of goods sold (excluding amortization of acquired intangible assets)	105.4	103.2	420.1	385.9
Research and development	776.8	584.9	3,697.3	2,430.6
Selling, general and administrative	609.1	544.4	2,305.4	2,027.9
Amortization of acquired intangible assets	88.1	63.6	279.0	258.3
Acquisition related charges and restructuring, net	83.7	37.7	299.6	48.7
Total costs and expenses	<u>1,663.1</u>	<u>1,333.8</u>	<u>7,001.4</u>	<u>5,151.4</u>
Operating income	900.2	751.7	2,254.6	2,519.0
Interest and investment income, net	4.7	7.6	31.1	28.2
Interest (expense)	(124.6)	(51.7)	(310.6)	(176.1)
Other income (expense), net	<u>(34.8)</u>	<u>3.2</u>	<u>48.4</u>	<u>(43.7)</u>
Income before income taxes	745.5	710.8	2,023.5	2,327.4
Income tax provision	<u>184.5</u>	<u>96.9</u>	<u>421.5</u>	<u>327.5</u>
Net income	<u>\$ 561.0</u>	<u>\$ 613.9</u>	<u>\$ 1,602.0</u>	<u>\$ 1,999.9</u>
Net income per common share:				
Basic	\$ 0.71	\$ 0.77	\$ 2.02	\$ 2.49
Diluted	\$ 0.69	\$ 0.74	\$ 1.94	\$ 2.39
Weighted average shares:				
Basic	785.8	800.2	792.2	802.7
Diluted	816.5	834.6	824.9	836.0
	December 31,	December 31,		
	2015	2014		
Balance sheet items:				
Cash, cash equivalents & marketable securities	\$ 6,551.9	\$ 7,546.7		
Total assets	27,053.4	17,340.1		
Short-term borrowings and current portion of long-term debt	-	605.9		
Long-term debt	14,250.4	6,265.7		
Total stockholders' equity	5,919.0	6,524.8		

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,	
	2015	2014	2015	2014
Net income - GAAP	\$ 561.0	\$ 613.9	\$ 1,602.0	\$ 1,999.9
Before tax adjustments:				
Cost of goods sold (excluding amortization of acquired intangible assets):				
Share-based compensation expense	(1) 8.4	7.4	31.7	26.2
Research and development:				
Share-based compensation expense	(1) 65.7	55.3	250.7	196.5
Upfront collaboration expense	(2) 62.0	52.0	1,402.3	453.6
IPR&D impairment	(3) -	-	-	129.2
Selling, general and administrative:				
Share-based compensation expense	(1) 76.1	65.7	294.2	224.9
Settlement of contingent obligation	(4) -	-	-	25.0
Amortization of acquired intangible assets	(5) 88.1	63.6	279.0	258.3
Acquisition related (gains) charges and restructuring, net:				
Change in fair value of contingent consideration	(6) 9.3	37.7	(7.9)	48.7
Acquisition costs	(7) 66.0	-	297.6	-
Restructuring charges	(8) 8.4	-	9.9	-
Net income tax adjustments	(9) 16.4	(55.4)	(277.1)	(263.7)
Net income - Adjusted	<u>\$ 961.4</u>	<u>\$ 840.2</u>	<u>\$ 3,882.4</u>	<u>\$ 3,098.6</u>
Net income per common share - Adjusted				
Basic	\$ 1.22	\$ 1.05	\$ 4.90	\$ 3.86
Diluted	\$ 1.18	\$ 1.01	\$ 4.71	\$ 3.71

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 \$150.2 for the three-month period ended December 31, 2015 and \$128.4 for the three-month period ended December 31, 2014. Exclude share-based compensation expense totaling \$576.6 for the twelve-month period ended December 31, 2015 and \$447.6 for the twelve-month period ended December 31, 2014.
- (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), Celgene Avilomics Research, Inc. (Avila), and QuanticeL Pharmaceuticals, Inc. (QuanticeL).
- (6) Exclude changes in the fair value of contingent consideration related to the acquisitions of Gloucester, Abraxis, Avila, Nogra Pharma Limited and QuanticeL.
- (7) Exclude equity compensation and other fees and costs related to the acquisitions of Receptos, Inc. and QuanticeL.
- (8) Exclude restructuring charges related to our relocation of certain operations into our two Summit, NJ locations as well as costs associated with certain headcount reductions.
- (9) 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, adjustments related to the gain on the

sale of an equity investment and nonrecurring items connected with the launch of new products.

Celgene Corporation and Subsidiaries
Reconciliation of 2016 Projected GAAP to Adjusted Net Income
(In millions, except per share data)

	Three-Month Period Ending March 31, 2016		Twelve-Month Period Ending December 31, 2016	
	Low	High	Low	High
Projected net income - GAAP	(1) \$ 804.5	\$ 859.9	\$ 3,517.8	\$ 3,827.7
Before tax adjustments:				
Cost of goods sold (excluding amortization of acquired intangible assets):				
Share-based compensation expense	8.1	7.9	38.7	36.8
Research and Development:				
Share-based compensation expense	64.6	63.4	307.5	292.1
Selling, general and administrative:				
Share-based compensation expense	76.3	74.7	362.6	344.5
Amortization of acquired intangible assets	97.1	88.7	388.4	354.8
Acquisition related charges and restructuring, net:				
Change in fair value of contingent consideration	37.2	33.6	136.3	123.3
Restructuring charges	10.0	5.0	30.0	15.0
Net income tax adjustments	(56.4)	(67.2)	(243.8)	(291.7)
Projected net income - Adjusted	<u>\$ 1,041.4</u>	<u>\$ 1,066.0</u>	<u>\$ 4,537.5</u>	<u>\$ 4,702.5</u>
Projected net income per diluted common share - GAAP	\$ 0.98	\$ 1.05	\$ 4.26	\$ 4.64
Projected net income per diluted common share - Adjusted	\$ 1.27	\$ 1.30	\$ 5.50	\$ 5.70
Projected weighted average diluted shares	<u>820.0</u>	<u>820.0</u>	<u>825.0</u>	<u>825.0</u>

- (1) Our projected 2016 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		
	2015	2014	Reported	Operational ⁽¹⁾	Currency ⁽²⁾
REVLIMID®					
U.S.	\$ 956.3	\$ 797.5	19.9%	19.9%	0.0%
International	604.4	525.0	15.1%	18.1%	(3.0)%
Worldwide	<u>1,560.7</u>	<u>1,322.5</u>	18.0%	19.2%	(1.2)%
ABRAXANE®					
U.S.	179.5	171.5	4.7%	4.7%	0.0%
International	90.5	64.4	40.5%	39.5%	1.0%
Worldwide	<u>270.0</u>	<u>235.9</u>	14.5%	14.2%	0.3%
POMALYST®/IMNOVID®					
U.S.	169.7	131.8	28.8%	28.8%	0.0%
International	124.1	70.3	76.5%	72.2%	4.3%
Worldwide	<u>293.8</u>	<u>202.1</u>	45.4%	43.9%	1.5%
OTEZLA®⁽³⁾					
U.S.	167.5	47.6	N/A	N/A	N/A
International	15.5	-	N/A	N/A	N/A
Worldwide	<u>183.0</u>	<u>47.6</u>	N/A	N/A	N/A
VIDAZA®					
U.S.	4.8	8.8	(45.5)%	(45.5)%	0.0%
International	142.6	144.9	(1.6)%	1.5%	(3.1)%
Worldwide	<u>147.4</u>	<u>153.7</u>	(4.1)%	(1.2)%	(2.9)%
azacitidine for injection					
U.S.	19.7	15.5	27.1%	27.1%	0.0%
International	-	-	N/A	N/A	N/A
Worldwide	<u>19.7</u>	<u>15.5</u>	27.1%	27.1%	0.0%
THALOMID®					
U.S.	31.5	40.7	(22.6)%	(22.6)%	0.0%
International	14.0	16.3	(14.1)%	(9.1)%	(5.0)%
Worldwide	<u>45.5</u>	<u>57.0</u>	(20.2)%	(18.8)%	(1.4)%
ISTODAX®					
U.S.	16.1	15.9	1.3%	1.3%	0.0%
International	1.3	0.8	62.5%	66.9%	(4.4)%
Worldwide	<u>17.4</u>	<u>16.7</u>	4.2%	4.4%	(0.2)%
All Other					
U.S.	1.0	3.2	N/A	N/A	N/A
International	0.7	0.7	N/A	N/A	N/A
Worldwide	<u>1.7</u>	<u>3.9</u>	N/A	N/A	N/A
Total Net Product Sales					
U.S.	1,546.1	1,232.5	25.4%	25.4%	0.0%
International	993.1	822.4	20.8%	22.8%	(2.0)%
Worldwide	<u>\$ 2,539.2</u>	<u>\$ 2,054.9</u>	23.6%	24.4%	(0.8)%

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

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

⁽³⁾ - OTEZLA® was approved in the U.S. for Psoriatic Arthritis in March 2014 and approved in the U.S. for Psoriasis in September 2014. OTEZLA® was approved for Psoriatic Arthritis and Plaque Psoriasis in the EU in January 2015.

Celgene Corporation and Subsidiaries
Net Product Sales
(In millions)

	Twelve-Month Periods				
	Ended December 31,		% Change		
	2015	2014	Reported	Operational ⁽¹⁾	Currency ⁽²⁾
REVLIMID®					
U.S.	\$ 3,534.9	\$ 2,915.7	21.2%	21.2%	0.0%
International	2,266.2	2,064.3	9.8%	14.2%	(4.4)%
Worldwide	<u>5,801.1</u>	<u>4,980.0</u>	16.5%	18.3%	(1.8)%
ABRAXANE®					
U.S.	653.6	624.5	4.7%	4.7%	0.0%
International	313.9	223.7	40.3%	39.5%	0.8%
Worldwide	<u>967.5</u>	<u>848.2</u>	14.1%	13.9%	0.2%
POMALYST®/IMNOVID®					
U.S.	591.8	443.0	33.6%	33.6%	0.0%
International	391.5	236.7	65.4%	62.8%	2.6%
Worldwide	<u>983.3</u>	<u>679.7</u>	44.7%	43.8%	0.9%
OTEZLA®⁽³⁾					
U.S.	440.0	69.8	N/A	N/A	N/A
International	31.7	-	N/A	N/A	N/A
Worldwide	<u>471.7</u>	<u>69.8</u>	N/A	N/A	N/A
VIDAZA®					
U.S.	21.2	42.8	(50.5)%	(50.5)%	0.0%
International	569.5	569.1	0.1%	4.4%	(4.3)%
Worldwide	<u>590.7</u>	<u>611.9</u>	(3.5)%	0.5%	(4.0)%
azacitidine for injection					
U.S.	83.9	78.2	7.3%	7.3%	0.0%
International	-	-	N/A	N/A	N/A
Worldwide	<u>83.9</u>	<u>78.2</u>	7.3%	7.3%	0.0%
THALOMID®					
U.S.	129.0	152.6	(15.5)%	(15.5)%	0.0%
International	56.4	68.6	(17.8)%	(11.1)%	(6.7)%
Worldwide	<u>185.4</u>	<u>221.2</u>	(16.2)%	(14.1)%	(2.1)%
ISTODAX®					
U.S.	64.5	61.4	5.0%	5.0%	0.0%
International	4.6	4.2	9.5%	14.9%	(5.4)%
Worldwide	<u>69.1</u>	<u>65.6</u>	5.3%	5.7%	(0.4)%
All Other					
U.S.	5.7	6.7	N/A	N/A	N/A
International	2.7	2.5	N/A	N/A	N/A
Worldwide	<u>8.4</u>	<u>9.2</u>	N/A	N/A	N/A
Total Net Product Sales					
U.S.	5,524.6	4,394.7	25.7%	25.7%	0.0%
International	3,636.5	3,169.1	14.7%	18.2%	(3.5)%
Worldwide	<u>\$ 9,161.1</u>	<u>\$ 7,563.8</u>	21.1%	22.5%	(1.4)%

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

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