

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

	Three-Month Periods Ended March 31,	
	2016	2015
Net product sales	\$ 2,494.7	\$ 2,055.2
Other revenue	16.9	25.6
Total revenue	2,511.6	2,080.8
Cost of goods sold (excluding amortization of acquired intangible assets)	105.9	104.0
Research and development	733.2	506.0
Selling, general and administrative	543.0	529.2
Amortization of acquired intangible assets	91.8	63.6
Acquisition related charges and restructuring, net	36.2	19.0
Total costs and expenses	1,510.1	1,221.8
Operating income	1,001.5	859.0
Interest and investment income, net	6.8	9.0
Interest (expense)	(121.9)	(49.2)
Other income (expense), net	35.2	8.3
Income before income taxes	921.6	827.1
Income tax provision	120.9	108.2
Net income	\$ 800.7	\$ 718.9
Net income per common share:		
Basic	\$ 1.03	\$ 0.90
Diluted	\$ 0.99	\$ 0.86
Weighted average shares:		
Basic	780.6	798.9
Diluted	807.7	834.1
	March 31, 2016	December 31, 2015
Balance sheet items:		
Cash, cash equivalents & marketable securities	\$ 5,707.3	\$ 6,551.9
Total assets*	25,963.9	26,964.4
Long-term debt*	14,268.3	14,161.4
Total stockholders' equity	5,074.8	5,919.0

* Total assets and long-term debt as of December 31, 2015 have been adjusted to reflect the retroactive adoption of ASU 2015-03 in the first quarter of 2016. ASU 2015-03 requires the presentation of debt issuance costs as a reduction of long-term debt.

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

	Three-Month Periods Ended	
	March 31,	
	2016	2015
Net income - GAAP	\$ 800.7	\$ 718.9
Before tax adjustments:		
Cost of goods sold (excluding amortization of acquired intangible assets):		
Share-based compensation expense	(1) 9.0	6.7
Research and development:		
Share-based compensation expense	(1) 62.2	56.2
Upfront collaboration expense	(2) 80.0	19.0
Selling, general and administrative:		
Share-based compensation expense	(1) 75.3	65.9
Amortization of acquired intangible assets	(3) 91.8	63.6
Acquisition related (gains) charges and restructuring, net:		
Change in fair value of contingent consideration	(4) 33.0	19.0
Restructuring charges	(5) 3.2	-
Net income tax adjustments	(6) (90.9)	(58.3)
Net income - Adjusted	<u>\$ 1,064.3</u>	<u>\$ 891.0</u>
Net income per common share - Adjusted		
Basic	\$ 1.36	\$ 1.12
Diluted	\$ 1.32	\$ 1.07

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 \$146.5 for the three-month period ended March 31, 2016 and \$128.8 for the three-month period ended March 31, 2015.
- (2) Exclude upfront payment expense for research and development collaboration arrangements.
- (3) 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).
- (4) Exclude changes in the fair value of contingent consideration related to the acquisitions of Gloucester, Abraxis, Avila, Nogra Pharma Limited and QuanticeL.
- (5) 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.
- (6) 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 adjustments related to the gain on the sale of certain assets.

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

	Range	
	Low	High
Projected net income - GAAP	(1) \$ 3,453.6	\$ 3,700.7
Before tax adjustments:		
Cost of goods sold (excluding amortization of acquired intangible assets):		
Share-based compensation expense	36.8	35.0
Research and Development:		
Share-based compensation expense	291.3	276.7
Upfront collaboration expense	130.0	130.0
Selling, general and administrative:		
Share-based compensation expense	341.9	324.8
Amortization of acquired intangible assets	381.6	348.6
Acquisition related charges and restructuring, net:		
Change in fair value of contingent consideration	132.0	119.4
Restructuring charges	30.0	15.0
Net income tax adjustments	(255.6)	(327.5)
Projected net income - Adjusted	\$ 4,541.6	\$ 4,622.7
Projected net income per diluted common share - GAAP	\$ 4.26	\$ 4.56
Projected net income per diluted common share - Adjusted	\$ 5.60	\$ 5.70
Projected weighted average diluted shares	811.0	811.0

- (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 March 31,		% Change		
	2016	2015	Reported	Operational ⁽¹⁾	Currency ⁽²⁾
REVLIMID®					
U.S.	\$ 996.5	\$ 810.8	22.9%	22.9%	0.0%
International	577.1	532.1	8.5%	12.8%	(4.3)%
Worldwide	<u>1,573.6</u>	<u>1,342.9</u>	17.2%	18.9%	(1.7)%
ABRAXANE®					
U.S.	143.8	159.1	(9.6)%	(9.6)%	0.0%
International	81.1	64.3	26.1%	28.5%	(2.4)%
Worldwide	<u>224.9</u>	<u>223.4</u>	0.7%	1.4%	(0.7)%
POMALYST®/IMNOVID®					
U.S.	170.7	128.4	32.9%	32.9%	0.0%
International	103.3	70.1	47.4%	47.9%	(0.5)%
Worldwide	<u>274.0</u>	<u>198.5</u>	38.0%	38.2%	(0.2)%
OTEZLA®⁽³⁾					
U.S.	174.8	59.4	N/A	N/A	N/A
International	20.8	0.9	N/A	N/A	N/A
Worldwide	<u>195.6</u>	<u>60.3</u>	N/A	N/A	N/A
VIDAZA®					
U.S.	3.5	5.9	(40.7)%	(40.7)%	0.0%
International	143.2	137.7	4.0%	9.2%	(5.2)%
Worldwide	<u>146.7</u>	<u>143.6</u>	2.2%	7.2%	(5.0)%
azacitidine for injection					
U.S.	18.5	20.6	(10.2)%	(10.2)%	0.0%
International	-	-	N/A	N/A	N/A
Worldwide	<u>18.5</u>	<u>20.6</u>	(10.2)%	(10.2)%	0.0%
THALOMID®					
U.S.	27.5	32.4	(15.1)%	(15.1)%	0.0%
International	13.5	14.5	(6.9)%	(1.5)%	(5.4)%
Worldwide	<u>41.0</u>	<u>46.9</u>	(12.6)%	(10.9)%	(1.7)%
ISTODAX®					
U.S.	16.7	15.2	9.9%	9.9%	0.0%
International	1.8	1.3	38.5%	48.7%	(10.2)%
Worldwide	<u>18.5</u>	<u>16.5</u>	12.1%	12.9%	(0.8)%
All Other					
U.S.	1.2	1.8	N/A	N/A	N/A
International	0.7	0.7	N/A	N/A	N/A
Worldwide	<u>1.9</u>	<u>2.5</u>	N/A	N/A	N/A
Total Net Product Sales					
U.S.	1,553.2	1,233.6	25.9%	25.9%	0.0%
International	941.5	821.6	14.6%	18.4%	(3.8)%
Worldwide	<u>\$ 2,494.7</u>	<u>\$ 2,055.2</u>	21.4%	22.9%	(1.5)%

⁽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.