

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

	Three-Month Periods Ended		Six-Month Periods Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Net product sales	\$ 2,254.1	\$ 1,844.6	\$ 4,309.3	\$ 3,552.1
Other revenue	23.7	28.1	49.3	50.6
Total revenue	<u>2,277.8</u>	<u>1,872.7</u>	<u>4,358.6</u>	<u>3,602.7</u>
Cost of goods sold (excluding amortization of acquired intangible assets)	100.8	98.9	204.8	185.0
Research and development	1,110.0	456.9	1,616.0	1,170.6
Selling, general and administrative	616.8	491.8	1,146.0	985.9
Amortization of acquired intangible assets	63.7	65.3	127.3	131.0
Acquisition related (gains) charges, net	(29.3)	0.9	(10.3)	9.5
Total costs and expenses	<u>1,862.0</u>	<u>1,113.8</u>	<u>3,083.8</u>	<u>2,482.0</u>
Operating income	415.8	758.9	1,274.8	1,120.7
Interest and investment income, net	8.8	7.3	17.8	13.7
Interest (expense), net	(48.3)	(41.6)	(97.5)	(70.9)
Other income (expense), net	94.5	(17.8)	102.8	(24.4)
Income before income taxes	470.8	706.8	1,297.9	1,039.1
Income tax provision	114.6	109.0	222.8	161.6
Net income	<u>\$ 356.2</u>	<u>\$ 597.8</u>	<u>\$ 1,075.1</u>	<u>\$ 877.5</u>
Net income per common share:				
Basic	\$ 0.45	\$ 0.75	\$ 1.35	\$ 1.09
Diluted	\$ 0.43	\$ 0.72	\$ 1.30	\$ 1.05
Weighted average shares:				
Basic	793.0	799.6	796.0	805.5
Diluted	825.3	831.0	829.7	838.0
	June 30,	December 31,		
	2015	2014		
<b>Balance sheet items:</b>				
Cash, cash equivalents & marketable securities	\$ 7,492.2	\$ 7,546.7		
Total assets	17,745.7	17,340.1		
Short-term borrowings and current portion of long-term debt	1,362.9	605.9		
Long-term debt	6,256.1	6,265.7		
Total stockholders' equity	6,321.9	6,524.8		

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

	Three-Month Periods Ended		Six-Month Periods Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Net income - GAAP	\$ 356.2	\$ 597.8	\$ 1,075.1	\$ 877.5
Before tax adjustments:				
Cost of goods sold (excluding amortization of acquired intangible assets):				
Share-based compensation expense	(1) 8.1	5.9	14.8	12.0
Research and development:				
Share-based compensation expense	(1) 63.6	45.8	119.8	92.8
Upfront collaboration expense	(2) 569.5	14.0	588.5	323.0
Selling, general and administrative:				
Share-based compensation expense	(1) 76.0	51.7	141.9	103.0
Settlement of contingent obligation	(3) -	-	-	25.0
Amortization of acquired intangible assets	(4) 63.7	65.3	127.3	131.0
Acquisition related (gains) charges, net:				
Change in fair value of contingent consideration	(5) (29.3)	0.9	(10.3)	9.5
Net income tax adjustments	(6) (89.0)	(33.5)	(147.3)	(121.0)
Net income - Adjusted	<u>\$ 1,018.8</u>	<u>\$ 747.9</u>	<u>\$ 1,909.8</u>	<u>\$ 1,452.8</u>
Net income per common share - Adjusted				
Basic	\$ 1.28	\$ 0.94	\$ 2.40	\$ 1.80
Diluted	\$ 1.23	\$ 0.90	\$ 2.30	\$ 1.73

*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 \$147.7 for the three-month period ended June 30, 2015 and \$103.4 for the three-month period ended June 30, 2014. Exclude share-based compensation expense totaling \$276.5 for the six-month period ended June 30, 2015 and \$207.8 for the six-month period ended June 30, 2014.
- (2) Exclude upfront payment expense for research and development collaboration arrangements.
- (3) Exclude settlement of a contingent obligation to make matching contributions to a non-profit organization.
- (4) 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).
- (5) Exclude changes in the fair value of contingent consideration related to the acquisitions of Gloucester, Abraxis, Avila and Nogra Pharma Limited.
- (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, 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 Full-Year 2015 Projected GAAP to Adjusted Net Income**  
(In millions, except per share data)

	Range	
	Low	High
Projected net income - GAAP	(1) \$ 1,798.9	\$ 2,042.5
Before tax adjustments:		
Cost of goods sold (excluding amortization of acquired intangible assets):		
Share-based compensation expense	30.9	29.7
Research and development:		
Share-based compensation expense	257.7	247.5
Upfront collaboration expense	1,158.8	1,067.5
Selling, general and administrative:		
Share-based compensation expense	302.0	290.2
Amortization of acquired intangible assets	254.6	254.6
Acquisition related (gains) charges, net:		
Change in fair value of contingent consideration	62.6	51.2
Acquisition related charges	336.3	304.3
Net income tax adjustments	(259.3)	(262.0)
Projected net income - Adjusted	\$ 3,942.5	\$ 4,025.5
Projected net income per diluted common share - GAAP	\$ 2.17	\$ 2.46
Projected net income per diluted common share - Adjusted	\$ 4.75	\$ 4.85
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 or be announced after the date of this press release.