



**Q3 2010 Conference Call**  
**October 28, 2010**



# Agenda

**Tim Smith, Director, Investor Relations**

**Jackie Fouse, Sr. VP. and CFO**

**Bob Hugin, CEO**

**Q & A**



**Tim Smith**



## Forward-Looking Statements and Non-GAAP Financial Information

The discussions during this conference call and presentation will include forward-looking statements. All such forward-looking statements include the effects of the acquisition of Abraxis BioScience, unless noted. Celgene's actual results, performance, or achievements could be materially different from those projected by these forward-looking statements. The factors that could cause actual results, performance, or achievements to differ from the forward-looking statements are discussed in Celgene's filings with the Securities and Exchange Commission, such as Celgene's Form 10-K, 10-Q and 8-K reports. Given these risks and uncertainties, you are cautioned not to place undue reliance on the forward-looking statements.

Also, the discussions during this conference call and presentation will include certain non-GAAP financial measures. Non-GAAP financial measures provide investors and management with supplemental measures of operating performance and trends that facilitate comparisons between periods before and after certain items that would not otherwise be apparent on a GAAP basis. Reconciliations of these non-GAAP financial measures to the most comparable GAAP measures are available as part of Celgene's earnings releases on Celgene's website at [www.celgene.com](http://www.celgene.com) in the "Investor Relations" section.



**Bob Hugin**



## **Strategically Positioned for Growth**

- **Record Operating Results Drive Strong Financial Performance**
- **Completed of Abraxis BioScience Acquisition**
- **Advancing More Than 25 Phase III and Pivotal Trials**
  - **REVLIMID<sup>®</sup> hematology and oncology programs**
  - **ABRAXANE<sup>®</sup> in solid tumors**
  - **Pomalidomide in Myelofibrosis and Multiple Myeloma**
  - **Apremilast Phase III trials accruing in psoriatic arthritis and moderate-to-severe psoriasis**
- **Strengthening Long-term Growth Potential Through Deep and Diverse Pipeline and High-Potential Collaborations**

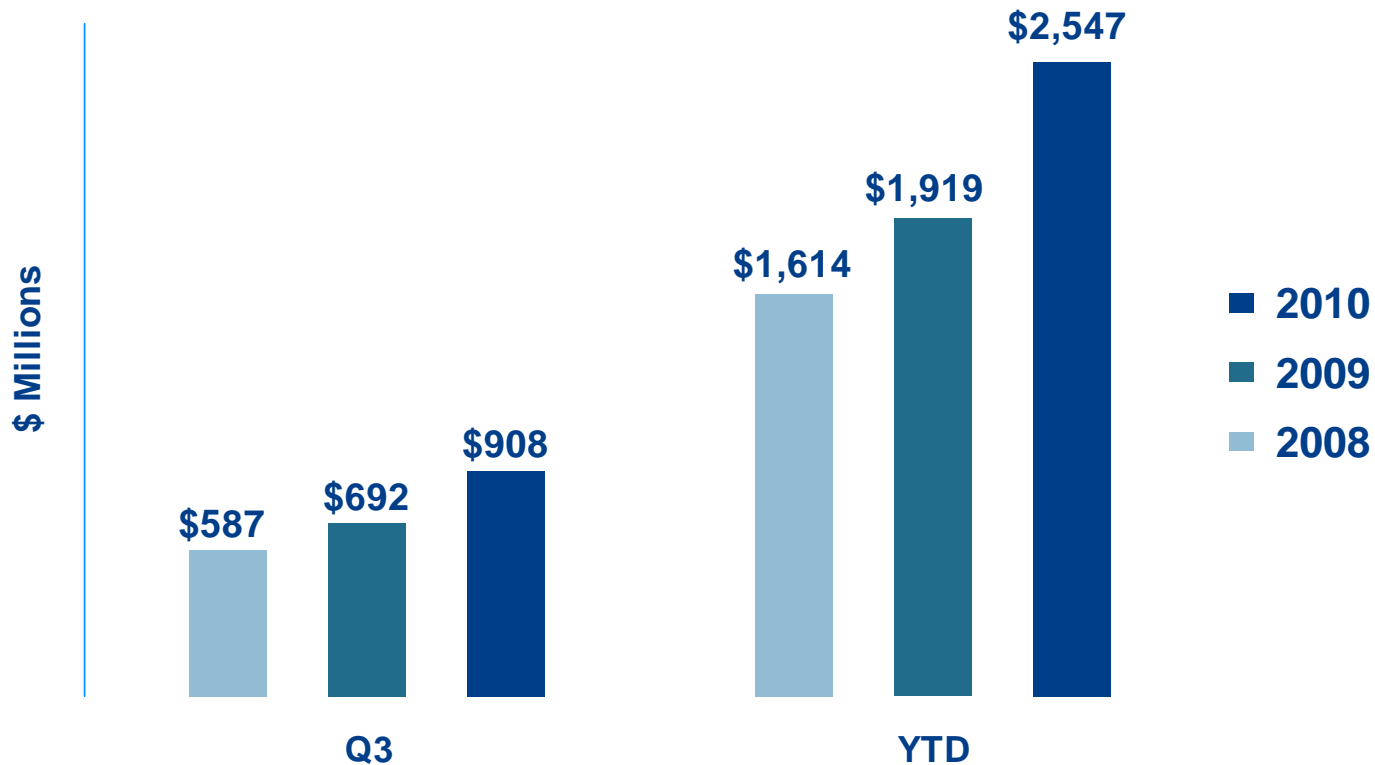


**Jackie Fouse**



# Financial Highlights: Non-GAAP Total Revenues

**Q3 Non-GAAP Total Revenues  
Increased 31% Y/Y**

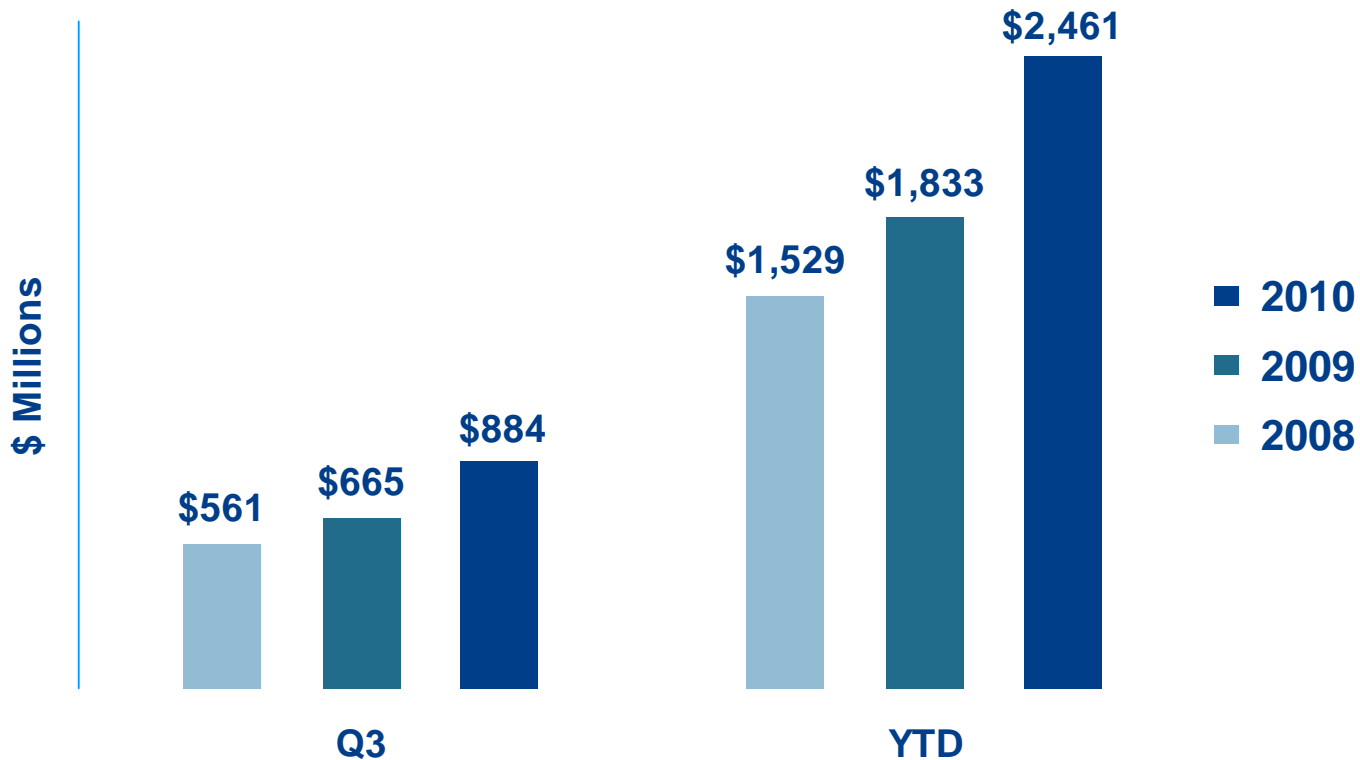






# Financial Highlights: Non-GAAP Net Product Sales

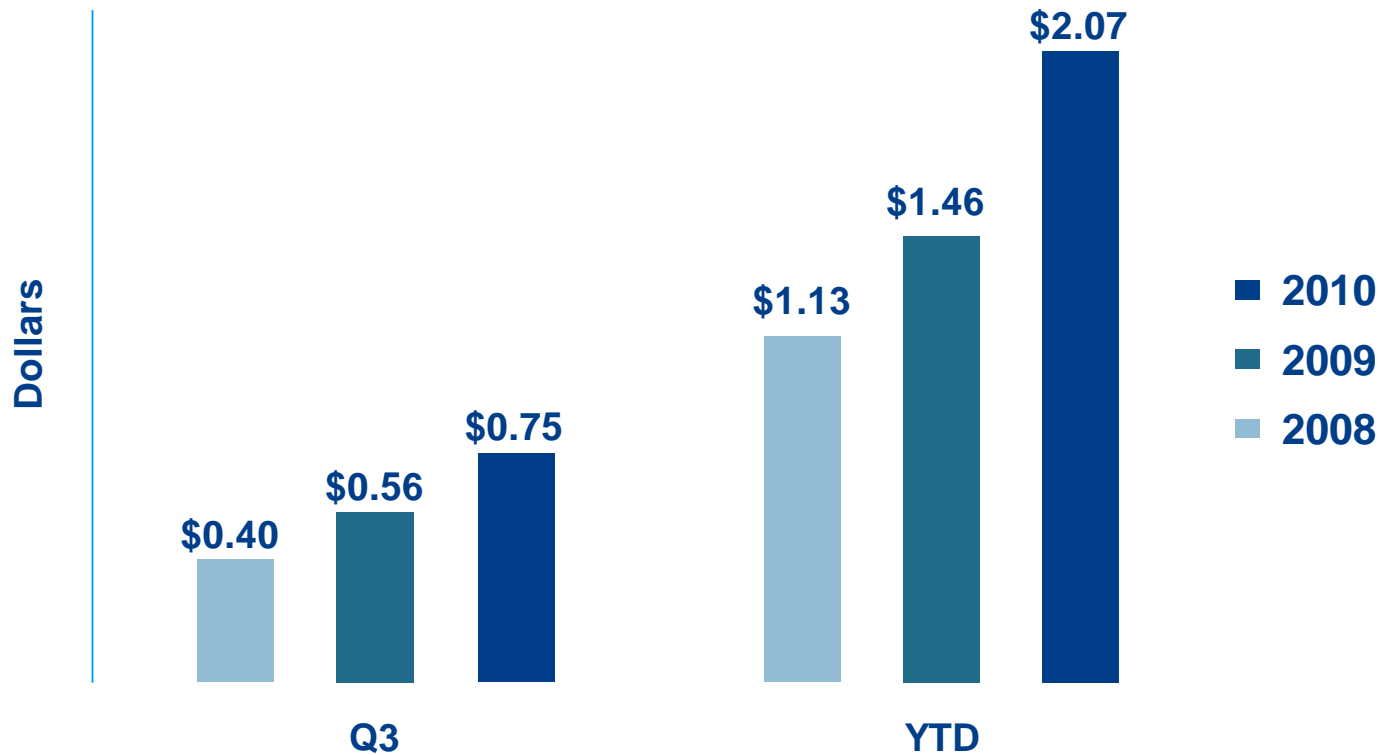
**Q3 Non-GAAP Net Product Sales  
Increased 33% Y/Y**





## Financial Highlights: Non-GAAP Diluted EPS

**Q3 Non-GAAP Diluted EPS Increased 34% Y/Y**





## Non-GAAP Net Product Sales

<b>Non-GAAP Net Product Sales (in millions)</b>	<b>Q3 2009</b>	<b>Q3 2010</b>
<b>REVLIMID<sup>®</sup></b>	<b>\$450</b>	<b>\$641</b>
<b>VIDAZA<sup>®</sup></b>	<b>\$103</b>	<b>\$141</b>
<b>THALOMID<sup>®</sup></b>	<b>\$110</b>	<b>\$94</b>
<b>Other</b>	<b>\$2</b>	<b>\$8</b>
<b>Total Non-GAAP Net Product Sales</b>	<b>\$665</b>	<b>\$884</b>



## REVLIMID<sup>®</sup> Worldwide Net Product Sales

<b>Net Product Sales (in millions)</b>	<b>Q3 2009</b>	<b>Q3 2010</b>
<b>REVLIMID Total</b>	<b>\$450</b>	<b>\$641</b>
<b>U.S.</b>	<b>\$273</b>	<b>\$374</b>
<b>International</b>	<b>\$177</b>	<b>\$267</b>



## Non-GAAP Product Gross Margins

	Q2 2010	Q3 2010
Non-GAAP Product Gross Margins	92.4%	92.9%

- **Expect non-GAAP product gross margins to improve to ~93% for FY2010 for Celgene without ABRAXANE<sup>®</sup>**
- **Inclusion of ABRAXANE sales will have a slight margin compression effect for FY2010**



## Non-GAAP R&D Expenses

(in millions)	Q2 2010	Q3 2010
Non-GAAP R&D expenses	\$202	\$232

- **Expect non-GAAP R&D expenses to be in a range of \$890 - \$900 million for FY2010**



## Non-GAAP SG&A Expenses

(in millions)	Q2 2010	Q3 2010
Non-GAAP SG&A expenses	\$197	\$204

- **Expect non-GAAP SG&A expenses to be in a range of \$830 - \$840 million for FY2010**



## Non-GAAP Effective Tax Rate

	FY 2009	YTD 2010
Non-GAAP Effective Tax Rate	21.3%	19.4%

- **Expect non-GAAP effective tax rate of ~19.0% for FY2010**





## Foreign Currency Hedging

(in millions)	Q2 2010	Q3 2010
Hedging/Revaluation Gains/(Losses)	(\$5)	\$6

- **Impact of foreign currency on top line revenue on a sequential quarter basis was immaterial**
- **Goal is to neutralize impact to EPS from FX volatility**



## Cash and Marketable Securities

(in billions)	6/30/10	9/30/10
Cash and Marketable Securities	\$3.1	\$3.5

- **Expect ~\$2.7 billion in cash and marketable securities by year end**
  - Includes impact from completion of Abraxis BioScience acquisition and \$1.25 billion debt offering



## 2010 Financial Outlook Update

	7/29/10	10/28/10
REVLIMID®	\$2.30 - \$2.35B	~\$2.45B
Total Revenue	\$3.40 - \$3.45B	~\$3.60B
Non-GAAP Diluted EPS	\$2.65 - \$2.70	\$2.78 - \$2.80

- Total revenue guidance provided on 7/29/10 excludes ABRAXANE® contribution; updated total revenue guidance includes ABRAXANE contribution
- Non-GAAP diluted EPS guidance for 7/29/10 and 10/28/10 includes dilution from Abraxis acquisition



## **Strong Financial Results and Operational Excellence**

- **Operating Efficiency and Leverage Producing Strong Financial Performance**
- **Investments in R&D and Global Infrastructure Position Celgene Well for Continued Momentum into 2011 and Beyond**
- **Continued Industry Leading Operational and Financial Metrics**
- **\$1.25B Debt Offering Strengthens Capital Structure; Provides Financial Flexibility**



**Bob Hugin**

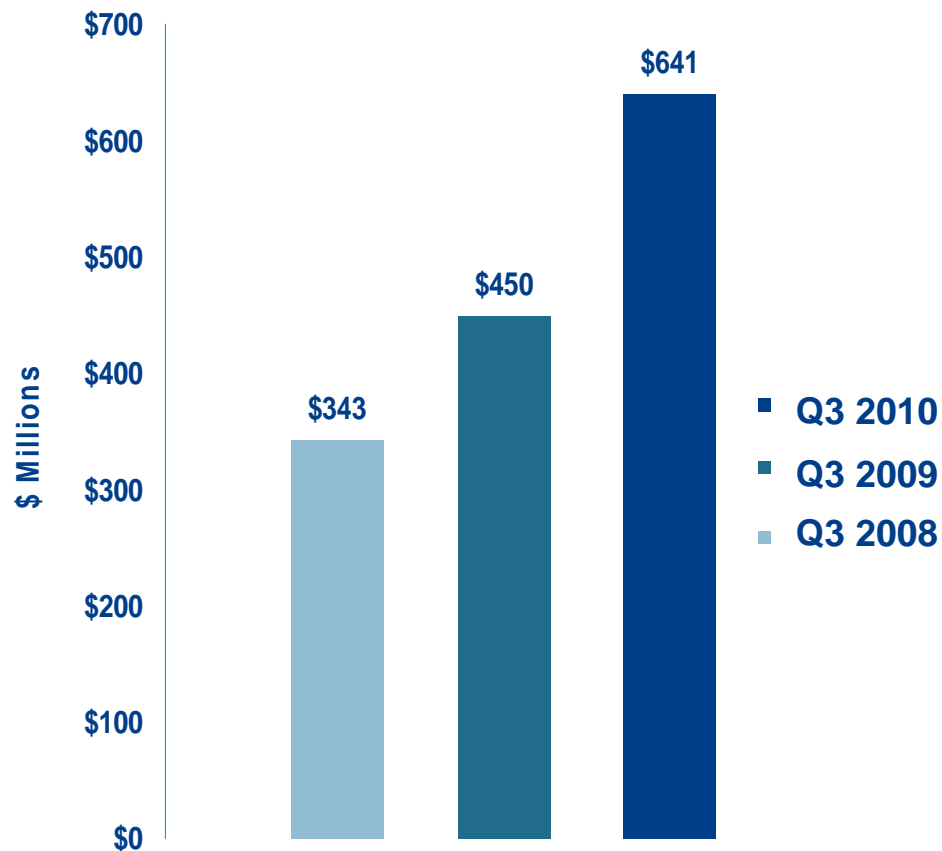


# Business Review

- **Strong Operating and Financial Results**
  - Global REVLIMID<sup>®</sup> sales up 43% Y/Y and 9% Q/Q to \$641 million
  - Global VIDAZA<sup>®</sup> sales increased 37% Y/Y and 7% Q/Q to \$141 million
  - Non-GAAP Diluted EPS Increased 34% Y/Y
- **Advanced Key Programs and Pipeline Development**
  - REVLIMID hematology/oncology Phase III programs progressing
  - Initiated Apremilast Phase III trials in Psoriatic Arthritis and Moderate-to-Severe Psoriasis
  - Initiated Phase III Trial for Pomalidomide in Myelofibrosis
  - Initiated Phase II Trial for PDA-001 Cellular Therapy in Crohn's Disease
- **Corporate Strategic and Financial Objectives**
  - Completed acquisition of Abraxis BioScience
  - REVLIMID Japan launch progressing well
  - \$1.25B debut debt offering



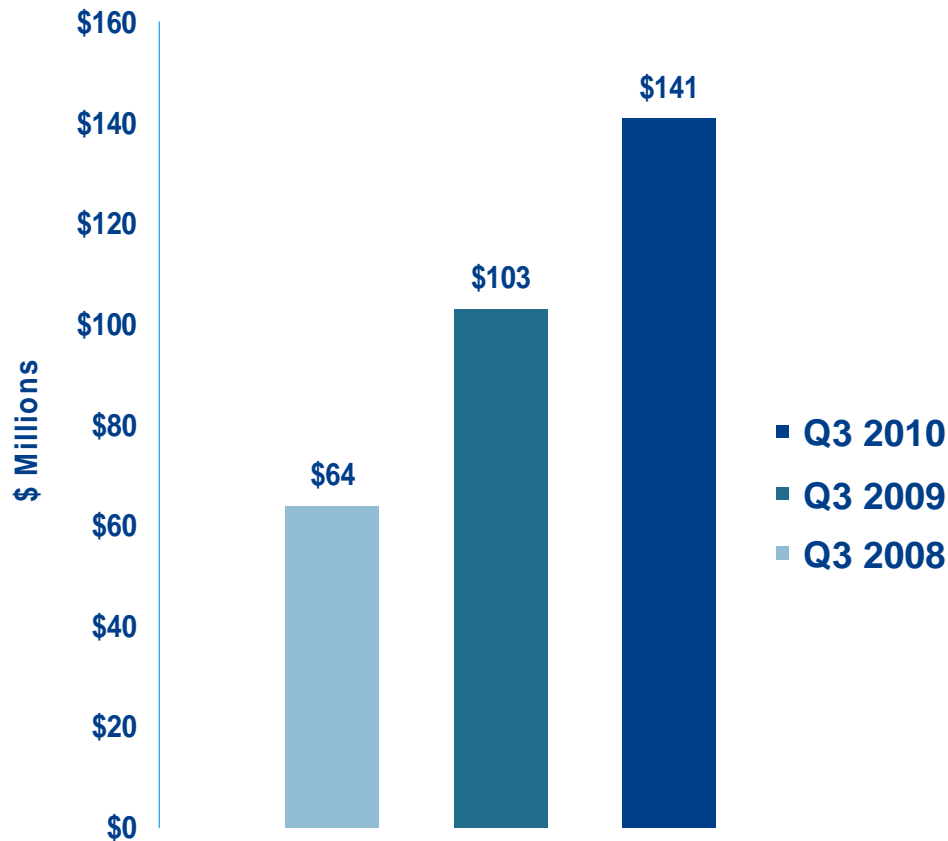
# REVLIMID® Global Net Sales Growth



- **Strong Growth across Global Markets**
- **REVLIMID U.S. Market Share**
  - Total share ~42%; Line 2+ ~48%
  - ~65% combined REVLIMID and THALOMID® share in Line 1
- **REVLIMID Share in Major EU Markets**
  - EU-4 Line 2 share increased to ~45%; EU-5 Line 3+ share ~45%
- **Continued Geographic Expansion**
  - Japan launch progressing well
  - Russia reimbursement expected H1 2011



## VIDAZA<sup>®</sup> Global Net Sales Growth



- **VIDAZA Global Sales Increased 37% Y/Y and 7% Q/Q**
  - Strong performance in core European markets
  - U.S. market leader in Int-2 / High Risk MDS
- **Executing Global VIDAZA Expansion**
- **Multiple Ongoing Single Agent and Combination Studies in MDS/AML**
- **Oral Azacitadine Abstract Submitted to ASH**



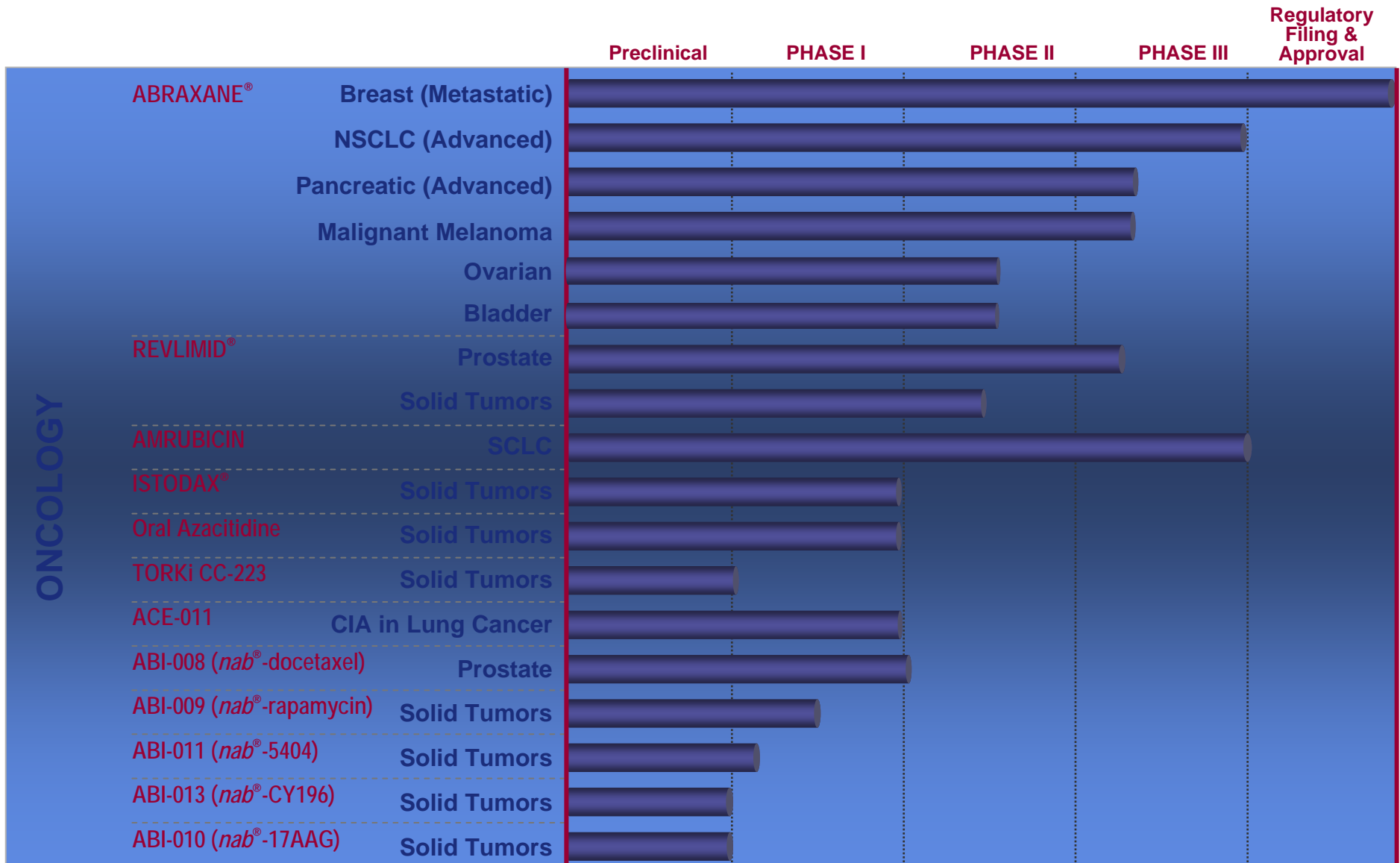


## Abraxis BioScience Acquisition

- **Celgene U.S. Commercial Launch of ABRAXANE<sup>®</sup> in January 2011**
- **NSCLC PFS Data Expected by Late 2010/Early 2011**
  - Expect first line NSCLC FDA submission H1 2011
- **Expanded Pancreatic Phase III Trial Accruing Well**
  - Expect enrollment to be completed by H2 2011
- **Multiple ABRAXANE Trials Underway in Various Tumor Types**
- **Proprietary *nab*<sup>®</sup> Technology Platform in Development**
  - Five compounds in development
- **Issued and Pending IP Provides Extended Exclusivity**

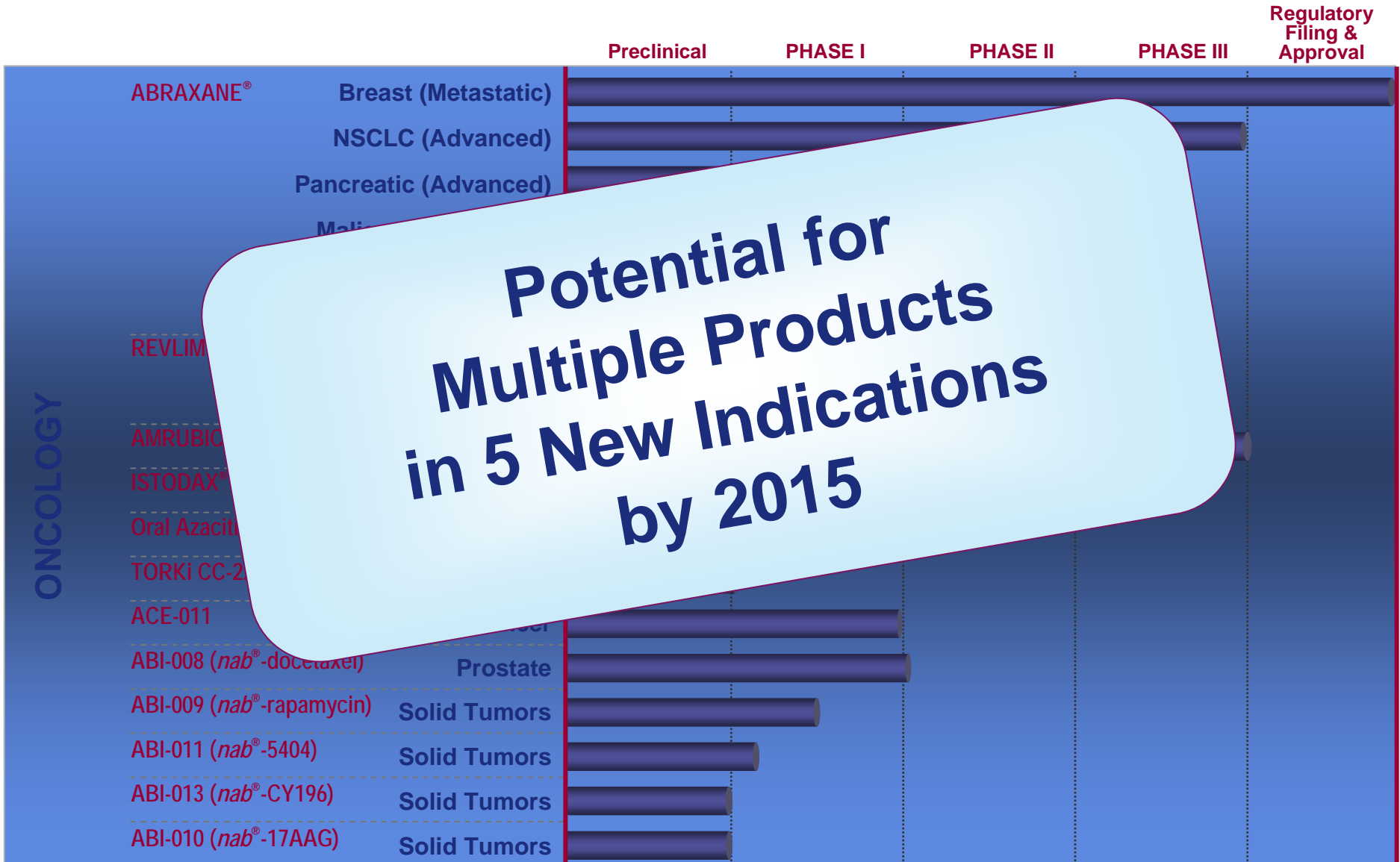


# Oncology



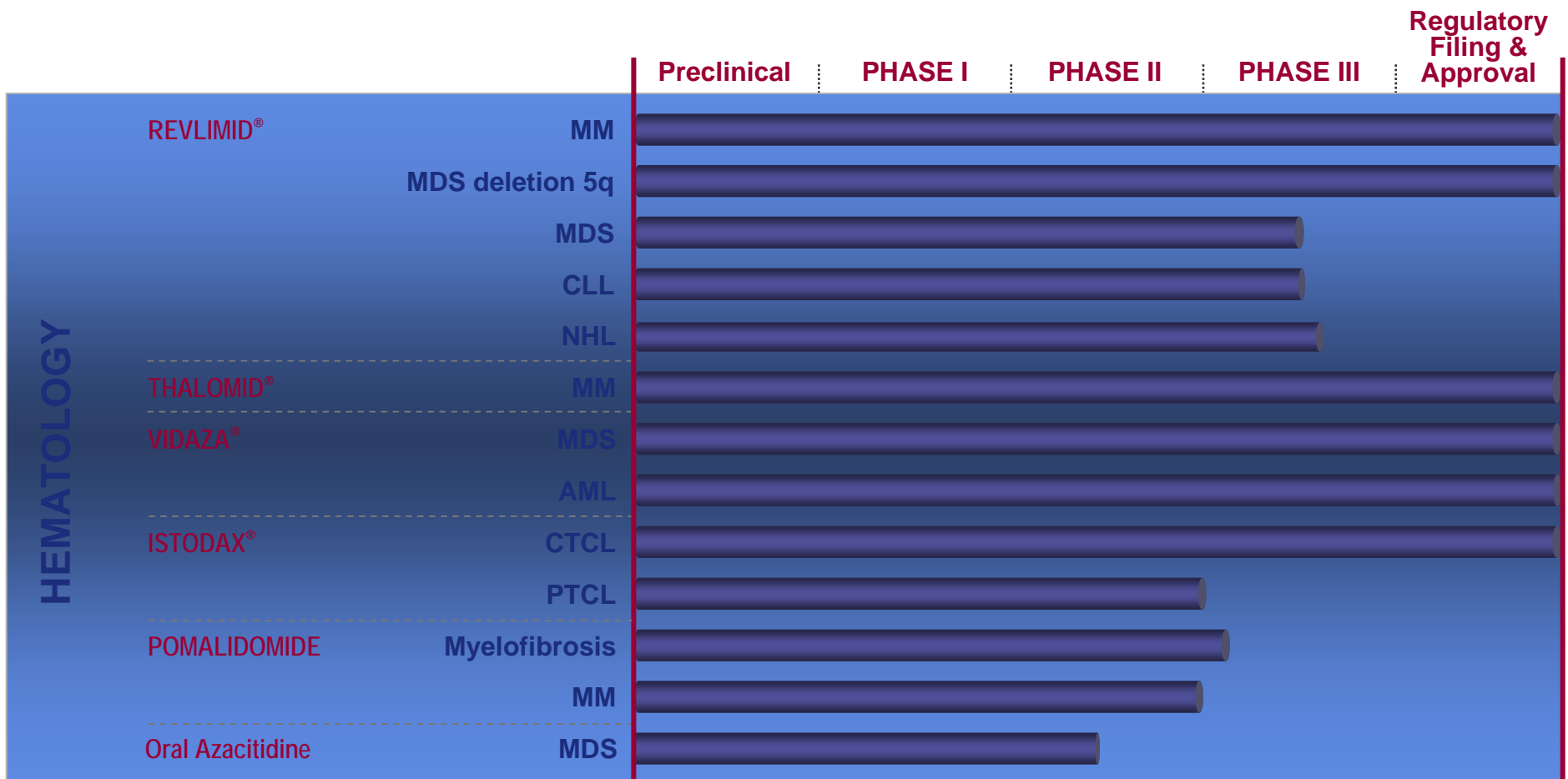


# Oncology





# Hematology





# Hematology



**Potential for  
Multiple Products  
in 5-10 New Indications  
by 2015**



# American Society of Hematology (ASH) December 4-7, 2010

**More Than 140 Abstracts Submitted**

	REVLIMID®	VIDAZA®	Pomalidomide	THALOMID®	ISTODAX®	ACE-011	Other	TOTAL
MM	44		5	8	1		2	60
MDS / AML	12	30					1	43
NHL	5				1			6
CLL	11							11
Amyloidosis	3		1					4
Myelofibrosis			1					1
Preclinical	8	3	2			2	1	16
Other					1			1
Grand Total	83	33	9	8	3	2	4	142



# Upcoming Clinical and Regulatory Milestones

## Clinical

- Updated MM-015, CALGB 100104, and IFM 2005-2 Data at ASH 2010
- ABRAXANE® Phase III NSCLC PFS data expected late 2010/early 2011
- ISTODAX® Phase II PTCL data to be presented at ASH 2010
- Pomalidomide Phase II data in MM to be presented at ASH 2010
- REVLIMID® MM-020 trial expected to complete enrollment by year-end 2010
- Amrubicin Phase III SCLC data expected late 2010/early 2011
- Complete enrollment of six Apremilast Phase III trials year-end 2011
- REVLIMID Phase II MM registration study in China (MM-021) expected to complete enrollment by year-end 2011
- Initiate REVLIMID Phase III trial (FL-001) in 1<sup>st</sup> line Follicular Lymphoma in H1 2011

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## Regulatory

- REVLIMID NDMM filing with EMA planned by year-end 2010, followed by U.S. filing in 2011
- ISTODAX PTCL filing with FDA planned by year-end 2010
- REVLIMID MDS del 5q filing with EMA planned by early 2011
- ABRAXANE NSCLC filing with FDA expected H1 2011
- REVLIMID reimbursement in Russia anticipated H1 2011



## Inflammation and Immunology

### Apremilast in Psoriatic Arthritis



#### 4 Global Phase III Trials

##### **PALACE 1**

Initiated in June

##### **PALACE 2**

Initiated in October

##### **PALACE 3**

Initiated in October

##### **PALACE 4**

On track for first subject  
first dose in December

### Apremilast in Psoriasis



#### 2 Global Phase III Trials

##### **ESTEEM 1**

Initiated in September

##### **ESTEEM 2**

On track for initiation  
in November

### PDA-001 in Auto Immune Disease



#### **PDA-001 in Phase II**

Crohn's trial  
initiated in August

#### **PDA-001 Phase I**

Multiple Sclerosis trial  
initiating in Q4

#### **PDA-001 Phase II**

Ischemic Stroke trial  
planned Q4

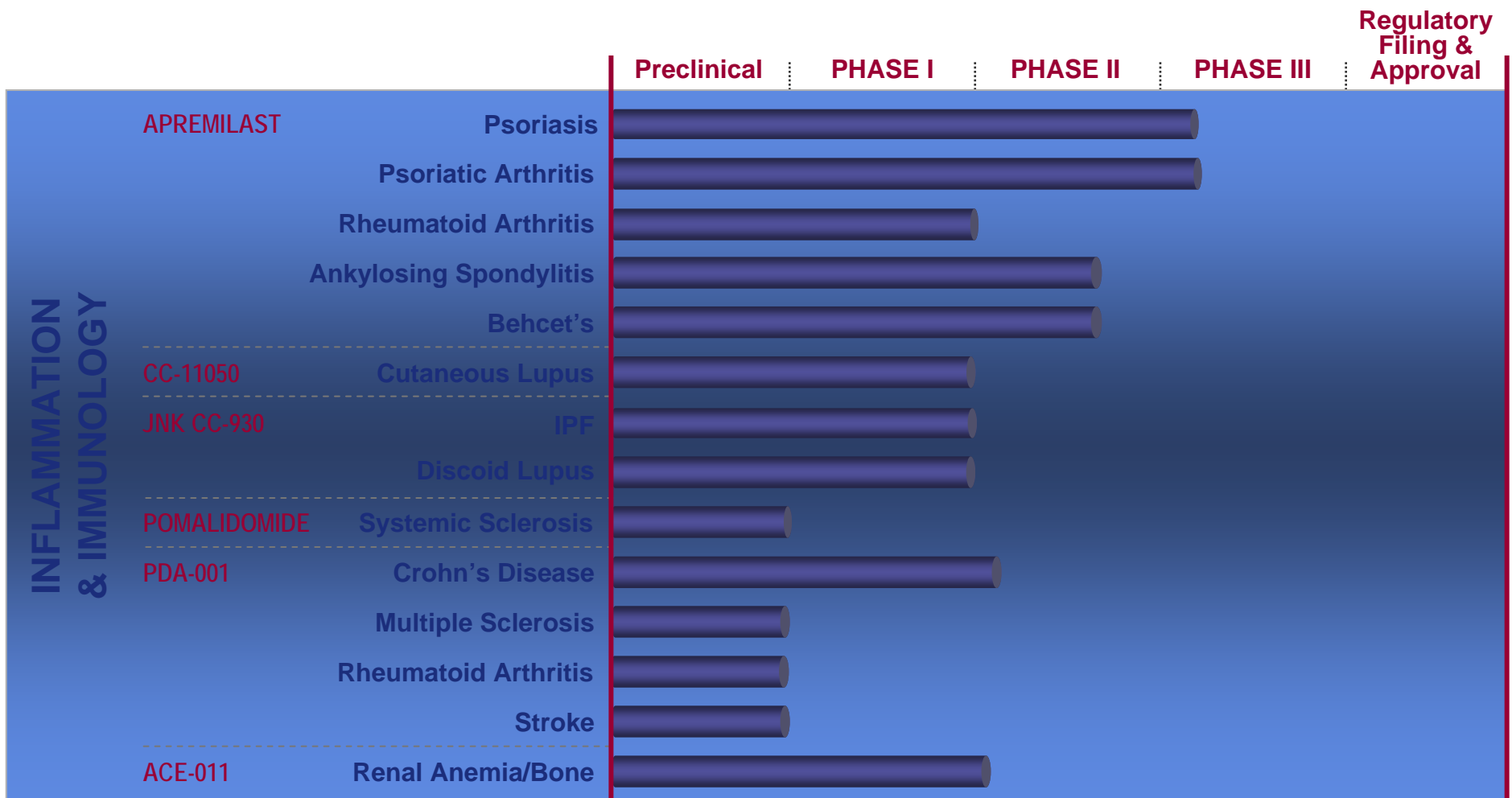
#### **PDA-001 Phase II**

Rheumatoid Arthritis trial  
planned Q4



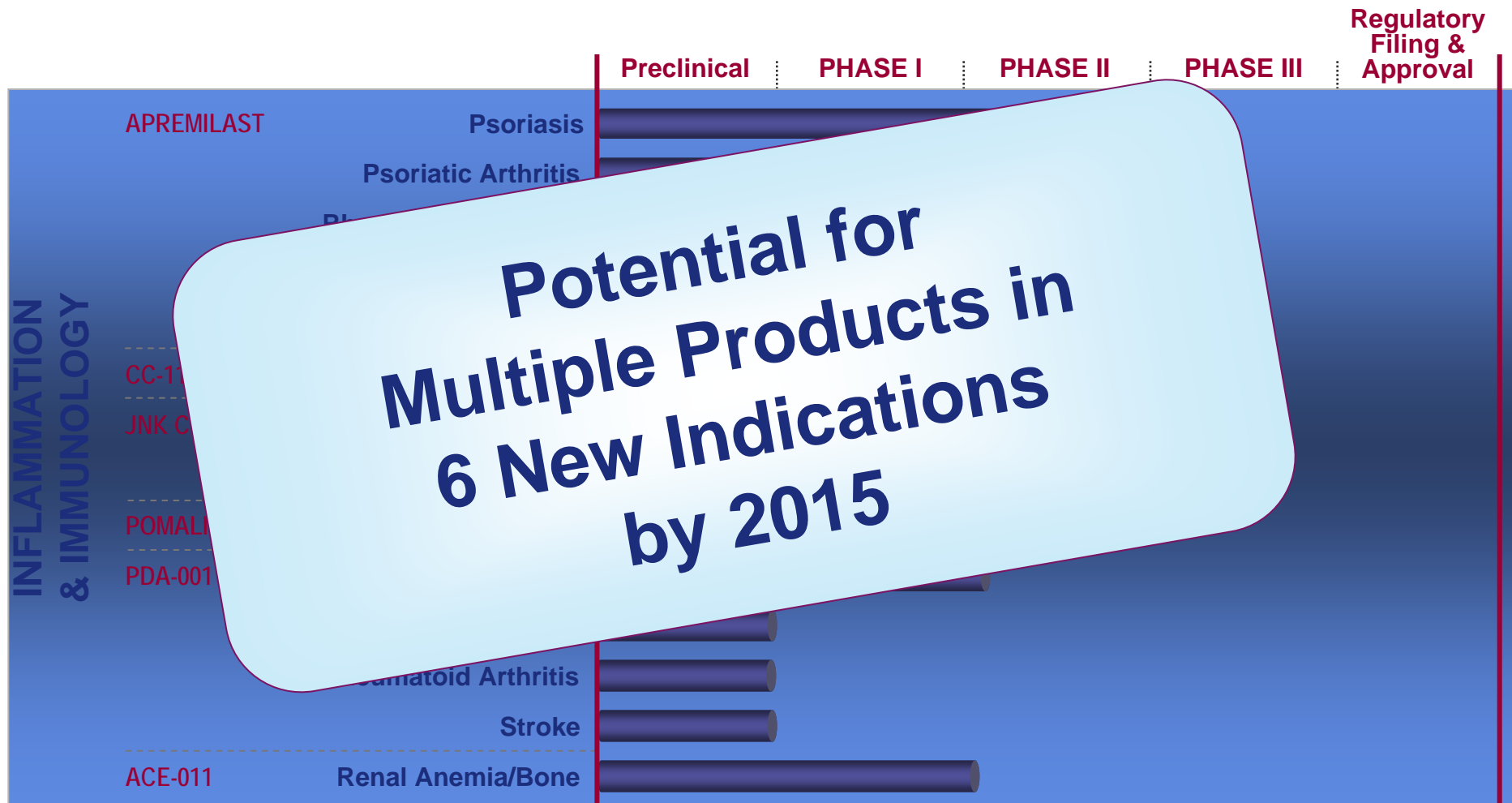


# Inflammation & Immunology Program





# Inflammation & Immunology Program





## Strategically Positioned to Optimize Global Potential

- **Building Momentum Across All Aspects of Our Global Business**
  - Exceptional operating and financial performance
- **Expanding Therapeutic Focus**
  - ABRAXANE® and *nab*® technology
  - Advancing Apremilast clinical and regulatory strategies
- **Realizing Value of Late-Stage Pipeline**
  - Advancing more than 30 Phase III and pivotal trials addressing 25 serious and debilitating diseases
- **Accelerating Long-term Potential through R&D Investments**
  - Investing in deep and diverse early-stage pipeline and high potential collaborations



## Strategically Positioned to Optimize Global Potential

- **Building Momentum Across All Aspects of Our Global Business**
  - Exceptional operating and financial performance
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- **Realizing Value of Late-Stage Pipeline**
  - Advancing more than 30 Phase III and pivotal trials addressing 25 serious and debilitating diseases
- **Leveraging Operating, Strategic, and Financial Capabilities to Sustain Long-term Growth**



**Q&A**

**October 28, 2010**