Celgene Corporation and Subsidiaries Condensed Consolidated Statements of Income

(Unaudited) (In millions, except per share data)

	Three-Month Periods Ended September 30,				Nine-Month Periods Ended September 30,				
	2013		2012		2013		2012		
Net product sales Other revenue Total revenue	\$	1,644.0 30.4 1,674.4	\$	1,388.0 31.2 1,419.2	\$	4,637.4 100.6 4,738.0	\$	3,970.1 89.2 4,059.3	
Cost of goods sold (excluding amortization of acquired intangible assets) Research and development Selling, general and administrative Amortization of acquired intangible assets Acquisition related charges and restructuring, net Total costs and expenses Operating income Other income (expense), net Income before income taxes		86.2 584.5 448.7 65.7 33.7 1,218.8 455.6 (13.6)		74.6 441.5 354.6 46.2 0.7 917.6 501.6 (25.1)		247.6 1,495.0 1,235.8 197.1 79.4 3,254.9 1,483.1 (34.9) 1,448.2		219.0 1,250.7 1,003.4 132.1 28.9 2,634.1 1,425.2 (34.0) 1,391.2	
Income tax provision	69.5		52.3		212.7		198.1		
Net income	\$	372.5	\$	424.2	\$	1,235.5	\$	1,193.1	
Net income per common share: Basic Diluted Weighted average shares: Basic Diluted	\$	0.90 0.87 412.3 428.8	\$ \$	0.99 0.97 427.2 436.3	\$ \$	2.98 2.87 414.7 430.5	\$ \$	2.75 2.69 434.1 443.4	
Balance sheet items: Cash, cash equivalents & marketable securities Total assets Short-term borrowings Long-term debt Total stockholders' equity	Sep \$	tember 30, 2013 5,847.3 13,629.1 405.9 4,228.3 5,894.7	\$	3,900.3 11,734.3 308.5 2,771.3 5,694.5					

Celgene Corporation and Subsidiaries Reconciliation of GAAP to Adjusted Net Income

(In millions, except per share data)

		Three-Month Periods Ended				Nine-Month Periods Ended				
		September 30,			September 30,					
			2013		2012		2013		2012	
Net income - GAAP		\$	372.5	\$	424.2	\$	1,235.5	\$	1,193.1	
Before tax adjustments:										
Cost of goods sold (excluding amortization										
of acquired intangible assets):										
Products exited or to be exited -Pharmion	(1)		-		-		-		(2.0)	
Share-based compensation expense	(2)		6.1		3.3		12.6		9.2	
Research and development:										
Share-based compensation expense	(2)		41.7		27.2		100.5		75.8	
IPR&D impairments	(3)		-		31.2		-		53.4	
Upfront collaboration payments	(4)		171.3		55.0		348.8		130.0	
Selling, general and administrative:										
Share-based compensation expense	(2)		44.2		32.0		114.3		85.9	
Amortization of acquired intangible assets	(5)		65.7		46.2		197.1		132.1	
Acquisition related charges and restructuring, net:										
Change in fair value of contingent consideration	(6)		33.7		0.7		79.4		26.3	
Acquisition and restructuring costs	(6)		-		-		-		2.6	
Net income tax adjustments	(7)		(65.7)		(58.5)		(174.1)		(116.1)	
Net income - Adjusted		\$	669.5	\$	561.3	\$	1,914.1	\$	1,590.3	
Net income per common share - Adjusted										
Basic		\$	1.62	\$	1.31	\$	4.62	\$	3.66	
Diluted		\$	1.56	\$	1.29	\$	4.45	\$	3.59	

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 the net (benefit) cost of activities arising from the acquisition of Pharmion Corp. (Pharmion) that are planned to be exited.
- (2) Exclude share-based compensation expense totaling \$92.0 for the three-month period ended September 30, 2013 and \$62.5 for the three-month period ended September 30, 2012. Exclude share-based compensation expense totaling \$227.4 for the nine-month period ended September 30, 2013 and \$170.9 for the nine-month period ended September 30, 2012.
- (3) Exclude in-process research and development impairments recorded as a result of changes in estimated probability-weighted cash flows.
- (4) Exclude upfront payments for research and development collaboration arrangements.
- (5) Exclude amortization of intangible assets acquired in the acquisitions of Pharmion, Gloucester Pharmaceuticals, Inc. (Gloucester), Abraxis BioScience Inc. (Abraxis) and Celgene Avilomics Research, Inc. (formerly known as Avila Therapeutics)(Avila).
- (6) Exclude acquisition related charges and restructuring, including changes in the fair value of contingent consideration, related to the acquisitions of Gloucester, Abraxis and Avila.
- (7) Net income tax adjustments reflect the estimated tax effect of the above adjustments and the impact of certain other non-operating tax adjustments, including one-time effects of acquisition related matters, adjustments to the amount of unrecognized tax benefits and deferred taxes on unremitted foreign earnings.

Celgene Corporation and Subsidiaries Reconciliation of Full-Year 2013 Projected GAAP to Adjusted Net Income

(In millions, except per share data)

		Range					
			Low	High			
Projected net income - GAAP	(1)	\$	1,619.0	\$	1,676.6		
Before tax adjustments:							
Cost of goods sold (excluding amortization of acquired intangible assets):							
Share-based compensation expense			15.5		14.9		
Research and development:							
Share-based compensation expense			140.0		134.6		
Upfront collaboration payments			410.3		410.3		
Selling, general and administrative:							
Share-based compensation expense			167.0		160.4		
Amortization of acquired intangible assets			265.4		262.8		
Acquisition related charges and restructuring, net:							
Change in fair value of contingent consideration			142.5		131.5		
Net income tax adjustments			(222.7)		(232.6)		
Projected net income - Adjusted		\$	2,537.0	\$	2,558.5		
Projected net income per diluted common share - GAAP		\$	3.77	\$	3.90		
Projected net income per diluted common share - Adjusted		\$	5.90	\$	5.95		
Projected weighted average diluted shares			430.0		430.0		

⁽¹⁾ Our projected 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.