CELGENE CORP /DE/ Form 10-O July 29, 2014 **Table of Contents UNITED STATES** SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM 10-Q (Mark one) OUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended June 30, 2014 OR TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT [ ] OF 1934 For the transition period from \_\_\_\_\_\_to \_\_\_\_\_ Commission File Number 001-34912 CELGENE CORPORATION (Exact name of registrant as specified in its charter) Delaware 22-2711928 (State or other jurisdiction of incorporation or (I.R.S. Employer Identification Number) organization) 86 Morris Avenue, Summit, NJ 07901 (Address of principal executive offices) (Zip Code) (908) 673-9000 (Registrant's telephone number, including area code) Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes X No Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer X Accelerated filer Non-accelerated filer (Do not check if a Smaller reporting company smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No X

At July 22, 2014, 799,510,100 shares of Common Stock, par value \$.01 per share, were outstanding, reflecting the two-for-one Common Stock split effected in June 2014.

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## CELGENE CORPORATION

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#### PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited).

# CELGENE CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In millions, except per share amounts)

	Three-Month Periods Ended June 30,		Six-Month Periods Ended June 30,	
	2014	2013	2014	2013
Revenue:				
Net product sales	\$1,844.6	\$1,564.1	\$3,552.1	\$2,993.4
Collaborative agreements and other revenue	2.7	3.1	4.6	10.2
Royalty revenue	25.4	31.8	46.0	60.0
Total revenue	1,872.7	1,599.0	3,602.7	3,063.6
Expenses:				
Cost of goods sold (excluding amortization of acquired intangible assets)	98.9	80.9	185.0	161.4
Research and development	456.9	458.1	1,170.6	910.5
Selling, general and administrative	491.8	418.1	985.9	787.1
Amortization of acquired intangible assets	65.3	65.7	131.0	131.4
Acquisition related charges, net	0.9	12.5	9.5	45.7
Total costs and expenses	1,113.8	1,035.3	2,482.0	2,036.1
Operating income	758.9	563.7	1,120.7	1,027.5
Other income and (expense):				
Interest and investment income, net	7.3	4.5	13.7	9.3
Interest (expense)	(41.6)	(19.6)	(70.9)	(37.5)
Other income (expense), net	(17.8)	9.2	(24.4)	6.9
Income before income taxes	706.8	557.8	1,039.1	1,006.2
Income tax provision	109.0	79.7	161.6	143.2
Net income	\$597.8	\$478.1	\$877.5	\$863.0
Net income per common share (Note1):				
Basic	\$0.75	\$0.58	\$1.09	\$1.04
Diluted	\$0.72	\$0.56	\$1.05	\$1.00
Weighted average shares (Note 1):				
Basic	799.6	828.2	805.5	832.0
Diluted	831.0	858.5	838.0	861.9

See accompanying Notes to Unaudited Consolidated Financial Statements

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CELGENE CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited) (Dollars in millions)

> Three-Month Periods Ended June 30, 2014 2013

Ended June 30, 2014

Six-Month Periods