

# CELGENE CORP. NDQ:CELG

RECENT PRICE **40.48** P/E RATIO **23.7** (Trailing: 30.0; Median: NMF) RELATIVE P/E RATIO **1.90** DIV'D YLD **Nil** **VALUE LINE**

**TIMELINESS** 2 Lowered 3/13/09  
**SAFETY** 3 New 7/27/01  
**TECHNICAL** 1 Raised 4/3/09  
**BETA** .75 (1.00 = Market)

High: 1.4 6.1 19.0 9.7 8.0 12.2 16.3 32.7 60.1 75.4 77.4 56.6  
 Low: 0.3 0.9 4.6 3.6 2.8 5.0 9.4 12.4 31.5 41.3 45.4 36.9

**LEGENDS**  
 — 36.0 x "Cash Flow" p sh  
 ... Relative Price Strength  
 3-for-1 split 4/00  
 2-for-1 split 10/04  
 2-for-1 split 2/06  
 Options: Yes  
 Shaded area: prior recession  
 Latest recession began 12/07

**2012-14 PROJECTIONS**

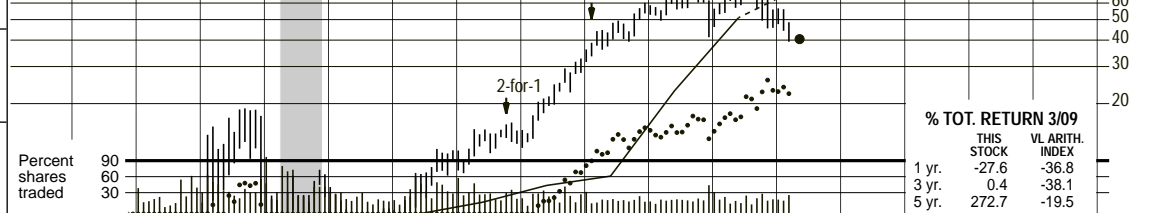
	Price	Gain	Ann'l Total Return
High	170	(+320%)	44%
Low	110	(+170%)	29%

**Insider Decisions**

	M	J	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0	0	0
Options	2	2	2	1	2	0	4	0	0
to Sell	2	2	3	1	1	1	3	1	0

**Institutional Decisions**

	2Q2008	3Q2008	4Q2008
to Buy	306	285	337
to Sell	253	290	264
Hlds(000)	369056	375444	384130



1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
.03	.03	.02	.02	.01	.02	.12	.28	.38	.42	.85	1.14	1.57	2.39	3.49	4.87	5.60	6.80	Sales per sh	10.30
d.10	d.08	d.09	d.15	d.14	d.16	d.10	d.02	d.01	d.02	.06	.19	.23	.25	.64	1.42	2.00	2.80	"Cash Flow" per sh	4.25
d.11	d.08	d.11	d.16	d.17	d.17	d.11	d.04	d.01	d.04	.04	.16	.18	.18	.54	1.37	1.85	2.60	Earnings per sh <sup>A</sup>	4.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.02	.00	.00	.01	.01	.00	.01	.03	.03	.03	.04	.11	.10	.12	.16	.17	.20	.25	Cap'l Spending per sh	.30
.22	.11	.07	.02	.06	d.02	d.07	1.00	1.03	.86	.97	1.45	1.86	5.26	7.05	7.60	8.30	9.40	Book Value per sh	14.75
94.12	94.35	105.40	129.40	184.86	199.36	212.44	296.00	302.30	320.71	320.71	330.14	342.17	376.03	403.12	459.13	465.00	470.00	Common Shs Outst'g <sup>B</sup>	485.00
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--	--	--	--	--	--	--	--	--	--	NMF	4.50	NMF	NMF	NMF	2.72			Relative P/E Ratio	2.35
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil

**CAPITAL STRUCTURE as of 12/31/08**  
 Total Debt Nil

Leases, Uncapitalized: Annual rentals \$19.3 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 459,463,167 shares as of 2/5/09

MARKET CAP: \$18.6 billion (Large Cap)

26.2	84.3	114.2	135.7	271.5	377.5	536.9	898.9	1405.8	2237.8	2600	3200	Sales (\$mill)	5000
NMF	NMF	NMF	NMF	2.0%	13.9%	18.2%	22.3%	32.5%	34.0%	43.5%	45.0%	Operating Margin	50.0%
1.0	3.7	5.1	5.2	8.0	9.7	14.3	25.7	31.5	44.5	50.0	60.0	Depreciation (\$mill)	90.0
d21.8	d10.3	d2.9	d13.1	12.8	52.8	63.7	69.0	226.4	606.8	875	1250	Net Profit (\$mill)	1975
--	--	--	--	5.3%	16.5%	24.4%	66.0%	56.2%	27.3%	25.0%	25.0%	Income Tax Rate <sup>C</sup>	25.0%
NMF	NMF	NMF	NMF	4.7%	14.0%	11.9%	7.7%	16.1%	27.1%	33.7%	39.1%	Net Profit Margin	39.5%
18.5	298.2	306.4	251.8	658.3	708.5	837.2	2071.3	2651.5	2314.2	2525	3050	Working Cap'l (\$mill)	5000
.0	12.3	11.8	.0	400.0	400.0	400.0	422.5	422.5	422.5	Nil	Nil	Long-Term Debt (\$mill)	Nil
d15.7	295.5	310.4	276.7	310.1	477.4	635.8	1976.2	2843.9	3491.3	3850	4425	Shr. Equity (\$mill)	7150
--	NMF	NMF	NMF	2.2%	6.6%	6.6%	3.1%	8.0%	17.4%	22.5%	28.0%	Return on Total Cap'l	27.5%
--	NMF	NMF	NMF	4.1%	11.0%	10.0%	3.5%	8.0%	17.4%	22.5%	28.0%	Return on Shr. Equity	27.5%
--	NMF	NMF	NMF	4.1%	11.0%	10.0%	3.5%	8.0%	17.4%	22.5%	28.0%	Retained to Com Eq	27.5%
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**CURRENT POSITION** 2006 2007 12/31/08 (\$MILL.)

Cash Assets	1982.2	2738.0	2222.1
Receivables	127.8	167.3	312.2
Inventory (Avg Cst)	25.4	49.1	100.2
Other	175.6	130.0	206.9
Current Assets	2311.0	3084.4	2841.4
Accts Payable	24.4	37.9	53.9
Debt Due	3.4	--	--
Other	211.9	395.0	473.3
Current Liab.	239.7	432.9	527.2

**BUSINESS:** Celgene Corp. is engaged in the development and commercialization of orally administered drugs for cancer and inflammatory diseases. Sales breakdown for 2008: *Thalomid* (23%), *Revlimid* (59%), *Vidaza* (9%), *Alkeran* (4%), and royalties/other (5%). R&D pipeline includes immune modulators, selective cytokine inhibitory drugs, estrogen receptor modulators, and kinase inhibitors.

Int'l sales: 30%. 2008 depr. rate: 12.9%; R&D costs: 26.1% of sales. Acq'd Signal Research, 8/00; Anthrogenesis, 12/02; Penn T, 10/04. Has 2,441 employees. Off./dir. own 2.4% of stock; FMR, 9.3%; Janus Cap'l Mgmt., 9.0%; AXA Fin'l, 4.6% (4/08 Proxy). Chrmn. & CEO: Sol J. Barer, Inc.: DE. Addr.: 86 Morris Ave., Summit, NJ 07901. Tel.: 908-673-9000. Internet: www.celgene.com.

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '06-'08 of change (per sh)

Sales	73.0%	45.5%	19.5%
"Cash Flow"	--	117.5%	33.0%
Earnings	--	--	34.0%
Dividends	--	--	--
Book Value	78.5%	47.5%	14.0%

**We look for Celgene's bottom line to advance 35% in 2009**, thanks largely to increased adoption of *Revlimid* and *Vidaza*. *Revlimid* sales should rise 30% this year, to \$1.7 billion, driven by an expanding geographic footprint, market-share gains, and longer treatment durations. Indeed, we look for *Revlimid* to gain approval in Japan during 2009. Japan is the second-largest oncology market after the U.S. That said, about 95% of the *Revlimid* product mix in the U.S. is for multiple myeloma and myelodysplastic syndromes (MDS). *Vidaza* sales will probably double, reaching \$400 million.

cal malignancies. Celgene also plans to explore the use of *Revlimid* as a treatment for solid tumors.

**QUARTERLY SALES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	181.8	197.2	244.9	275.0	898.9
2007	293.4	347.9	349.9	414.6	1405.8
2008	461.0	566.6	586.7	623.5	2237.8
2009	600	625	675	700	2600
2010	750	775	825	850	3200

**Use of *Revlimid* to treat a wider range of malignancies should be a key long-term earnings driver.** Leveraging the success of the drug as a second-line treatment for multiple myeloma, Celgene has initiated several studies aimed at expanding the existing myeloma label to include newly diagnosed patients. Indeed, we look for regulatory action on that front in both the U.S. and EU this year. There are multiple studies into other unserved indications, such as long-term maintenance therapy in myeloma and other hematologi-

**The company has a more potent immunomodulatory drug (IMiD) in the pipeline.** Celgene recently completed Phase II studies of *Actimid*. This IMiD is an analogue to *Relimid* that has shown unique clinical activity in multiple myeloma and myelofibrosis. Indeed, 29% of patients that had not responded to *Revlimid* saw improvement with *Actimid*. The drug has been found to be generally well tolerated by most patients, with manageable adverse events. Further study is necessary, however, and *Actimid* is not likely to be available before 2012-2014. This treatment represents the next generation in Celgene's hematological franchise. **These timely shares offer wide appreciation potential to 2012-2014.** Celgene's cancer drugs, particularly *Revlimid*, offer strong growth prospects for both the near and long terms. Further, the ongoing global recession should have little effect on the company's performance, as these drugs are potentially life-saving.

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.04	.03	.05	.06	.18
2007	.14	.13	.09	.18	.54
2008	.32	.31	.34	.38	1.37
2009	.38	.45	.50	.52	1.85
2010	.60	.65	.65	.70	2.60

**QUARTERLY DIVIDENDS PAID**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005					
2006					
2007					
2008					
2009					

NO CASH DIVIDENDS BEING PAID

Jerry W. Gray Jr. April 17, 2009

(A) Diluted earnings. Excludes nonrecurring gains (losses): '93, (10¢); '97, (5¢); '98, 14¢; '00, (10¢); '01, 1¢; '02, (\$1.13); '08, (\$4.83). Next earnings report due early May.	(B) In millions, adjusted for stock splits.	(C) As of 12/31/08, had federal and state net operating loss carryforwards of \$63.0 million and tax credit carryforwards of \$65.2 million.	Company's Financial Strength	A
			Stock's Price Stability	65
			Price Growth Persistence	80
			Earnings Predictability	40