



Celgene Corporation Series A Contingent Value Rights Anticipated to Begin Trading on NASDAQ on October 18, 2010

To: Head Traders, Compliance Officers

From: William Slattery, Vice President, NASDAQ Listing Qualifications Department

DATE: October 18, 2010

Re: Celgene Corporation Series A Contingent Value Rights to Begin Trading on NASDAQ Today

Summary

- Celgene Corporation Series A Contingent Value Rights to commence trading on NASDAQ today, October 18, 2010
- Each Series A Contingent Value Right entitles its holder to receive additional cash payments if certain milestones are met
- Member responsibility
- Contact information

Overview

Celgene Corporation (the "Company" or "Celgene") Series A Contingent Value Rights (the "CVRs") have been approved for listing on The Nasdaq Stock Market, Inc., and will commence trading on October 18, 2010. The CVRs will trade with the ticker symbol CELGZ and the CUSIP number is 151010 112.

Description

The CVRs have certain unique characteristics. The CVRs are being issued in connection with the merger between the Company and Abraxis BioScience, Inc. ("Abraxis"). Each CVR will entitle its holder to receive additional cash payments if certain U.S. regulatory approval milestones with respect to Abraxane[®] are achieved and/or if aggregate annual net sales of Abraxane[®] and certain Abraxis pipeline products that are currently under development exceed \$1 billion. Members must make sure that investors receive an explanation of such special characteristics and risks, including, but not limited to, the following:

- The right to receive any future payment on the CVRs will be contingent upon the achievement by Abraxis and Celgene of certain agreed upon U.S. regulatory milestones and net sales (calculated in accordance with the CVR agreement) in excess of the thresholds specified in the CVR agreement within the time periods specified in the CVR agreement. If the milestones specified in the CVR agreement are not achieved for any reason within the time periods specified in the CVR agreement, and if net sales do not exceed the thresholds set forth in the CVR agreement for any reason within the time periods specified in the CVR agreement, no payment will be made under the CVRs and the CVRs will expire valueless. Accordingly, the value, if any, of the CVRs is speculative, and the CVRs may ultimately have no value.

- If any payment is made on the CVR, it will not be made until the achievement of certain agreed upon milestones and/or, with respect to net sales payments, after the conclusion of the first net sales measuring period, which ends on December 31, 2011 (provided that net sales for such net sales measuring period exceed the thresholds set forth in the CVR agreement, calculated in accordance with the CVR agreement), and the amount of any payment will not be paid until after the achievement of such milestones and/or, with respect to net sales payments, until 15 days after the date Celgene is required to provide the net sales statement for the net sales measuring period in respect of which a net sales payment under the CVR is due. The CVR agreement sets forth the time frame in which a CVR payment is to be paid if Celgene is no longer required to file with the Securities and Exchange Commission, which we refer to as the SEC, copies of its annual or quarterly reports (provided that net sales for such net sales measuring period exceed the thresholds set forth in the CVR agreement, calculated in accordance with the CVR agreement). In accordance with the CVR agreement, Celgene will provide an annual net sales statement. The final calculation of any CVR payment, however, will be provided to you no earlier than 15 days after the date Celgene is required to provide the net sales statement for the net sales measuring period in respect of which a net sales payment under the CVR is due. As such, it may be difficult to value the CVRs, and accordingly it may be difficult or impossible for you to resell your CVRs.
- The CVRs are unsecured obligations of Celgene and the CVR payments and all other obligations under the CVR agreement, together with the CVRs and any rights or claims relating thereto, are subordinated in right of payment to the prior payment in full of all senior obligations of Celgene.
- The CVR agreement does not prohibit Celgene or any of its subsidiaries or affiliates from acquiring the CVRs, whether in open market transactions, private transactions or otherwise. Pursuant to the terms of the CVR agreement, subject to certain notice requirements, Celgene may, at any time on and after the date that 50% of the CVRs either are (1) no longer outstanding and/or (2) repurchased, acquired, redeemed or retired by Celgene, redeem all, but not less than all, of the outstanding CVRs at a cash redemption price equal to the average price paid per CVR for all CVRs previously purchased by Celgene calculated as of the business day immediately prior to the date of the notice of redemption. Neither Celgene nor Abraxis can predict the price at which the CVRs may be redeemed by Celgene in the future pursuant to these rights, if at all.
- Celgene has agreed to use diligent efforts, until the net sales payment termination date, to sell Abraxane[®] or any of the other Abraxis pipeline products for which Celgene has obtained regulatory approval for the commercial manufacture, marketing and sale thereof. Celgene has also agreed to use diligent efforts to obtain FDA approval for the commercial manufacture, marketing and sale of Abraxane[®] for the treatment of melanoma, ovarian cancer, bladder cancer and first-line metastatic breast cancer until the earlier of the net sales payment termination date or such time that the data generated in an appropriate clinical trial does not support further development of Abraxane[®] for the applicable indication. However, under the CVR agreement, the definition of "diligent efforts" allows for the consideration of a variety of factors in determining the efforts Celgene is required to use to sell Abraxane[®] or any of the other Abraxis pipeline products and to obtain additional regulatory approvals of Abraxane[®]. The CVR agreement defines "diligent efforts" as, with respect to any product, efforts of a person to carry out its obligations in a diligent manner using such effort and employing such resources normally used by such person in the exercise of its reasonable business discretion relating to the research, development or commercialization of a product, that is of similar market potential at a similar stage in its development or product life, taking

into account issues of market exclusivity (including patent coverage, regulatory and other exclusivity), safety and efficacy, product profile, the competitiveness of alternate products in the marketplace or under development, the launch or sales of a generic or biosimilar product, the regulatory structure involved, and the profitability of the applicable product (including pricing and reimbursement status achieved), and other relevant factors, including technical, commercial, legal, scientific, and/or medical factors

Suitability

Trading in the Shares on NASDAQ will be subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the “know your customer” obligation that is embedded in the NASDAQ Conduct Rules.

Members also should review [NASD Notice to Members 03-71](#) for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Contact Information

For additional information regarding the Common Stock, please see:

- Celgene Corporation’s Form 424B3 filed with the SEC on September 14, 2010.

Any additional questions can be directed to:

- [William Slattery](#), Vice President, NASDAQ Listing Qualifications at 301.978.8088.