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About Cephalon

We are an international biopharmaceutical company dedicated to discovering, developing, and bringing to market medications for difficult-to-treat and rare conditions. Since our start in 1987, we have brought first-in-class and best-in-class medicines to patients around the world in several therapeutic areas. We have the distinction of being one of the world's fastest-growing biopharmaceutical companies, now among the Fortune 1000 and a member of the S&P 500 Index, employing approximately 3,000 people worldwide.

Our Commitment
Our Responsibility
Our Community

Cephalon is committed to improving the health of individuals through our medications, the health of the community through partnerships, and the health of our environment by respecting and conserving resources.





Cephalon employees are making a difference every day. Their commitment is visible in how they work, live, and give back to the community.

At Cephalon, we are always looking to make a positive impact in ways that touch patients, healthcare professionals, employees, and communities. We interpret corporate responsibility in a broad manner as we strive to address patients' unmet medical needs, offer assistance programs that improve access to our medicines, and promote the safe and responsible use of our products. We feel an obligation to give back to others, supporting causes close to our employees and our communities. Our commitment to "going green" is embedded in our culture and the way we do business. Guiding our daily efforts are shared values — the heart and soul of our work — which help to put a human face on who we are and all we do.

Our Commitment
Our Responsibility
Our Community

Shared Values: Our collective and individual success reflects, and depends on, responsibly living our shared values:

Integrity. Respect. Innovation. Patient Focus.

- **Integrity** is the foundation for all we do — personally, professionally, scientifically — guiding our actions and our decisions.
- **Respect** for others is at the core of our interactions: we treat people with dignity and consideration.
- **Innovation** is both our heritage and our future, driving us to deliver advanced therapies that help healthcare professionals provide better treatment options for their patients.
- **Patient Focus** keeps our eye on the prize — always thinking about the people whose lives we affect today, and those we strive to help tomorrow.

Valuing Our Connection with Patients and the Community

To gain the proper insight into how a potential new medicine works in fighting disease, we study it within the larger context of the complex and interdependent systems within the human body. We may be targeting a particular type of cancer with our therapies, but we must also consider the affect on the heart, liver, lungs, and other internal organs and functions.

Similarly, as Cephalon breaks new scientific ground to improve human health, we have to consider the many ways in which our work has an impact on society. Our primary responsibility is to the millions of people around the world who benefit from our medicines. Still, for us to do our jobs well, we need to be mindful of how we connect with people and communities the world over.

Our responsibility as a company extends beyond bringing new medicines to market; it encompasses our ways of working and our commitment to the overall health of our communities. In this report, we touch on the various ways in which we are fulfilling our role as a good corporate citizen. You will read about how we're promoting the safe use of pharmaceuticals, funding scientific education and disease awareness campaigns, subsidizing the cost of medicines, supporting causes close to the hearts of our employees, collaborating with medical experts, and reducing our impact on the environment.

Our intent is to shine a light on the many efforts we have underway to improve the lives of patients — and communities — around the world.

Frank Baldino, Jr., Ph.D.
Chairman & Chief Executive Officer



Responsibility to Assist CephalonCares Foundation

Patients are always top-of-mind at Cephalon. Millions rely on us — and our medicines — to improve their health, their lives, and their futures. We take their trust to heart and strive to always make a difference, one patient at a time. *Patient Focus* is one of our core values and the latest proof of our commitment is the newly established **CephalonCaresSM Foundation**.



CEPHALONCARESSM
FOUNDATION

We hope to strengthen our relationships with patients and physicians through CephalonCares — helping them to focus on treatment and better health rather than worrying about the cost of prescriptions. At the same time, we are looking to gain a deeper understanding about how changes in society or the economy can affect patient access to our medications, and how we can be responsive instead of reactive.

Our aspiration over time is to grow CephalonCares in reach and scope, expanding into other areas of philanthropy and corporate giving to support the health of our many communities.



“Putting our patient access efforts under the CephalonCares Foundation makes it more than a program; it’s a commitment. The Foundation is visible evidence of our commitment to patients — and to doing things in a different way, with greater impact.”

Sheryl Williams, Vice President
Corporate & Public Affairs
Chair of the Foundation Board

Through the not-for-profit CephalonCares Foundation, we will be able to help more patients gain access to our medicines by ensuring that cost is not a barrier to treatment. At its heart are our Patient Assistance Programs — now operating with more resources and an expert governance board, whose decision-making is based solely on addressing patient needs.

How to benefit from CephalonCares:

If you or someone you know needs help paying for Cephalon medications, visit www.cephaloncares.com.

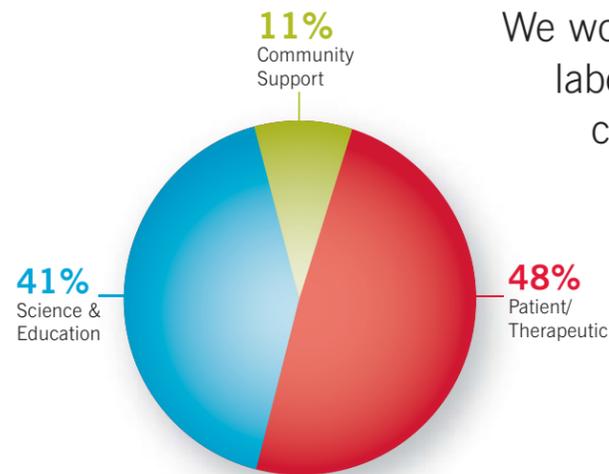
“We expect the Foundation to grow in perpetuity so that we can continue to provide needed support to the community through our work. What we are creating will be a great legacy for the company.”

Fritz Bittenbender, Vice President
Government & Corporate Affairs
President of the Foundation



Responsibility to Give Back

Meaningful contributions to society, communities



Our giving is significant and above the national standard, with our charitable contributions exceeding 1% of pre-tax income. In 2008, Cephalon provided \$3.2 million to charitable organizations.

We work hard to make a difference, and it's a labor of love. By giving our time and our financial contributions to charitable organizations, we help to strengthen the very fabric of our communities. Our philanthropic efforts are aligned with causes close to our hearts and important in our communities. Sometimes our commitment can be quite personal, as when disease touches the life of a colleague, friend, or loved one. That's when employees pull together to drive peak participation in fundraising events.

Supporting healthy communities: Our contributions are targeted to two kinds of communities: local charities near our geographic locations, and those more broadly aligned with a common disease area or interest. Since 1998, Community Volunteers in Medicine (CVIM) has been providing healthcare for uninsured working adults and their families with free medical and dental care and subsidized medicines. We have been partners with CVIM from the start, contributing financial support, engaging employee volunteers, and contributing to its planning and development efforts. Nationwide, we are helping promote the proper use of prescription pain medications through The Partnership for a Drug-Free America and by co-sponsoring The Federation of State Medical Boards' *Responsible Opioid Prescribing* book that was distributed to physicians throughout the country.



"CVIM relies on, and thrives because of, a very generous community. Our longtime friends at Cephalon raise the bar when it comes to corporate partnerships. We are exceedingly grateful for their support and applaud Cephalon leadership for recognizing the importance of working with local non-profits to build a healthier community."

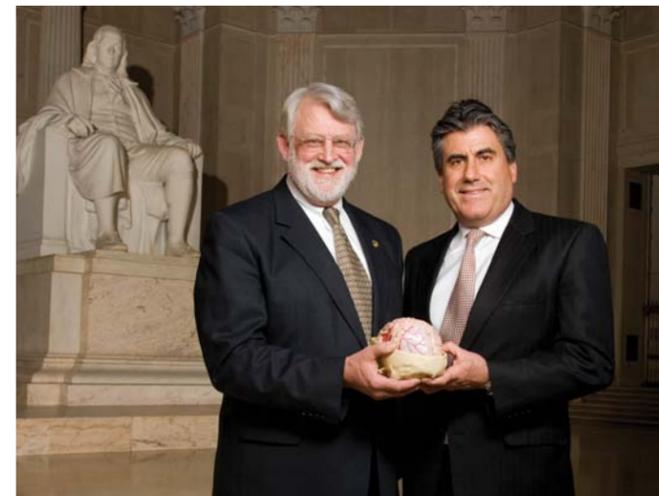
Maureen Tomoschuk, President & CEO
Community Volunteers in Medicine



Cephalon employees answer the call to help fight disease by becoming part of a larger community, such as joining with breast cancer survivors and activists in the Susan G. Komen Breast Cancer 3-Day.

Engaging employees: Our people are an unstoppable force when fundraising to support health-related organizations, especially when they know someone suffering from the condition. We salute and support their efforts. Today, hundreds of employees participate annually in The Leukemia & Lymphoma Society's Light the Night charity walk. After years of sponsoring local walks, we took a major step to become a 2009 Light the Night national presenting sponsor. Similarly, our employees enthusiastically participate in the American Cancer Society's Relay for Life, the Walk MS and Bike MS fundraisers for the National Multiple Sclerosis Society, and the Susan G. Komen Breast Cancer 3-Day.

Encouraging next-generation scientists: As an aspiring scientist growing up in Philadelphia, CEO Frank Baldino spent hours at what was then The Franklin Institute Science Museum, known for its giant walk-through model of the human heart. Dr. Baldino now sits on the board of The Franklin and Cephalon is contributing \$4 million for a new signature exhibit on the brain, providing a nice link with the company's original focus in neuroscience. This is the largest single corporate donation in The Franklin's history.



CEOs Dennis Wint (The Franklin) and Frank Baldino (Cephalon) hold the future in their hands, with a model representing the new brain exhibit, scheduled to open in 2012.

We have partnered, mentored, donated, and become involved with more than 100 organizations that promote science education. We support the Utah Science Center in Salt Lake City, Temple University School of Medicine (including \$1 million contribution for its new research center), Harvard Medical School (endowing the Baldino Chair of Sleep Medicine), and the University of Minnesota College of Pharmacy (funding graduate fellowships). Through the annual Cephalon Horst Witzel Fellowship, honoring retired Cephalon director Dr. Horst Witzel, we give a \$25,000 monetary fellowship to an outstanding Philadelphia-area graduate student studying organic chemistry.

Responsibility to Engage

Advocacy and education to deliver the best care

We approach the care of patients from all angles — from delivering novel medicines to ensuring patient access to educating healthcare professionals. We specifically target those therapeutic areas related to our research, including oncology, disorders of the central nervous system, inflammatory diseases, and pain. We take our lead from our partner organizations, finding ways to help them communicate with their specific audiences. These relationships work because they are based on mutual respect and mutual interests. The focus is moving toward a common goal and furthering an awareness about issues and options.



By cultivating relationships with health advocates and physician groups, we are working together to further the understanding of diseases and treatment options for difficult-to-treat or rare conditions. What we give can help in developing educational materials for patients and healthcare professionals to spread the word about the latest advances in the science of medicine. What we gain is often of greater value, as we come to better understand areas of unmet medical need. We learn how physicians, patients, and families are working together to manage the disease. And

we become aware of new potential benefits or risks associated with current treatments. Our core value of *Integrity* guides the ethical and transparent nature of our collaborations.



The Cephalon fight against cancer knows no limits. The company became a supporting sponsor of the Everest Rocks Army — comprising legendary musicians, artists, mountaineers, and cancer survivors — which tackled the climb of their lives in Nepal in October 2007.

We have joined forces with The Leukemia & Lymphoma Society because of the special link with our research in hematologic cancers. Our support extends to programs for patients, grants for educational programming, and annual fundraising events. We also develop relationships with professional organizations that provide advocacy and education for clinicians, such as the American Society of Hematology and the Oncology Nursing Society. Whenever we find a mutual interest in a disease area — with patient groups, healthcare professionals, or key opinion leaders — we work to further a mutual understanding of the current research, options for treatment, and resources available.

Our partnership with the National Organization for Rare Disorders is based on our mutual interest in improving the lives of people with rare medical conditions, who often have few, if any, treatment options. Currently, two Cephalon investigational drugs and three marketed medicines have “orphan drug” status, which is reserved for therapeutics used to treat conditions affecting fewer than 200,000 people in the country.

“NORD appreciates Cephalon’s history of orphan product development and dedication to improving the lives of people with rare diseases for whom there are few, or no, treatment options. Since NORD was founded, thousands of patients with rare diseases now have medications. On behalf of all patients with rare diseases, we are grateful to Cephalon and others for their commitment to the discovery and development of therapies to meet underserved medical needs.”

Peter L. Saltonstall, President & CEO
National Organization for Rare Disorders

Our efforts are conducted in accordance with industry guidelines. We have voluntarily agreed to follow the code adopted by the Pharmaceutical Research and Manufacturers of America, or PhRMA, concerning ethical interactions with healthcare professionals, including medical education, and physician speaking and consulting arrangements.

Responsibility to Protect

Green teams, commitment, actions



Cephalon is “Going Green.” The color green has become shorthand for how socially responsible companies act to protect the environment. At the same time, the impact of improving energy efficiencies and reducing waste can save green — money — which is an added benefit. With *Respect* for the planet and the *Innovation* of our employees, we are drawing on two of our core values to find better, greener ways to do business.

“We’re always looking to find better and greener ways to do things — more energy efficient, with less waste and less cost. Cephalon and all other companies have an obligation to their communities to be as efficient as possible in using resources.”

Jim Kimmel, Senior Director
Worldwide Engineering & Facilities



Our official **Cephalon Going Green** initiative kicked off in 2008, with broad involvement at all levels in the company and a long-term commitment to create a sustainable program. Nearly 100 employees around the world have volunteered their time to define what a green culture could and should be — and to help with its implementation. Our first step was mobilizing these energetic individuals, by establishing Green Teams to champion our environmental efforts.

A key objective is to link our daily behaviors and operations to a cultural expectation of environmental responsibility. We can all have an impact on the environment — positive or negative — through the choices we make every day.



Members of the Cephalon Green Team take their work literally, honoring Earth Day by planting what will eventually become green leafy trees.

On an individual level, it’s a matter of mindset; doing little things that can have a big impact collectively, such as taking advantage of the Cephalon expanded recycling program and only printing documents when necessary.

At our facilities, we established 2008 as a baseline year for collecting information regarding green activities and determining our carbon footprint based on the fossil fuels we consume.

Our initial accomplishments address several key areas:

- Clinical process enhancements:** We halved the number of steps used to synthesize bendamustine, eliminating waste streams and several hazardous reagents while gaining higher yields. Similarly, researchers have begun using green synthetic chemistry processes in their experiments.
- U.S. corporate sales fleet:** Hybrid cars and more fuel-efficient, four-cylinder engines are helping to reduce our carbon footprint and greenhouse gas emissions. It’s a commitment that starts at the top, with our CEO, who drives a hybrid. *Automotive Fleet* magazine ranked Cephalon 17th in its 2008 list of the Top 50 Hybrid Commercial Fleets.
- Capital investments:** At Cephalon Europe in France, solar panels are now used to generate hot water; while at CIMA Labs in Minnesota, outdated production equipment was replaced with higher efficiency models and systems that need not operate continuously are run on cycles.
- Offices:** Photocopiers are set to default to two-sided printing in several locations, significantly reducing the amount of paper used. Thermostat set-backs and sensors that turn off lights in unoccupied rooms help us reduce the energy we consume — and save an estimated \$50,000 annually in utility costs for our Pennsylvania facilities alone.

We made careful decisions to produce a truly green Cephalon 2008 Annual Report to stockholders. We used FSC-certified paper — which assures that it came from responsibly managed forests — and we relied on an eco-friendly printer to help us save energy, trees, and water while reducing waste and greenhouse gases:

					
3 trees preserved for the future	9 lbs water-borne waste not created	1,287 gals wastewater flow saved	142 lbs solid waste not generated	280 lbs net greenhouse gases prevented	2,146,760 Million BTUs energy not consumed