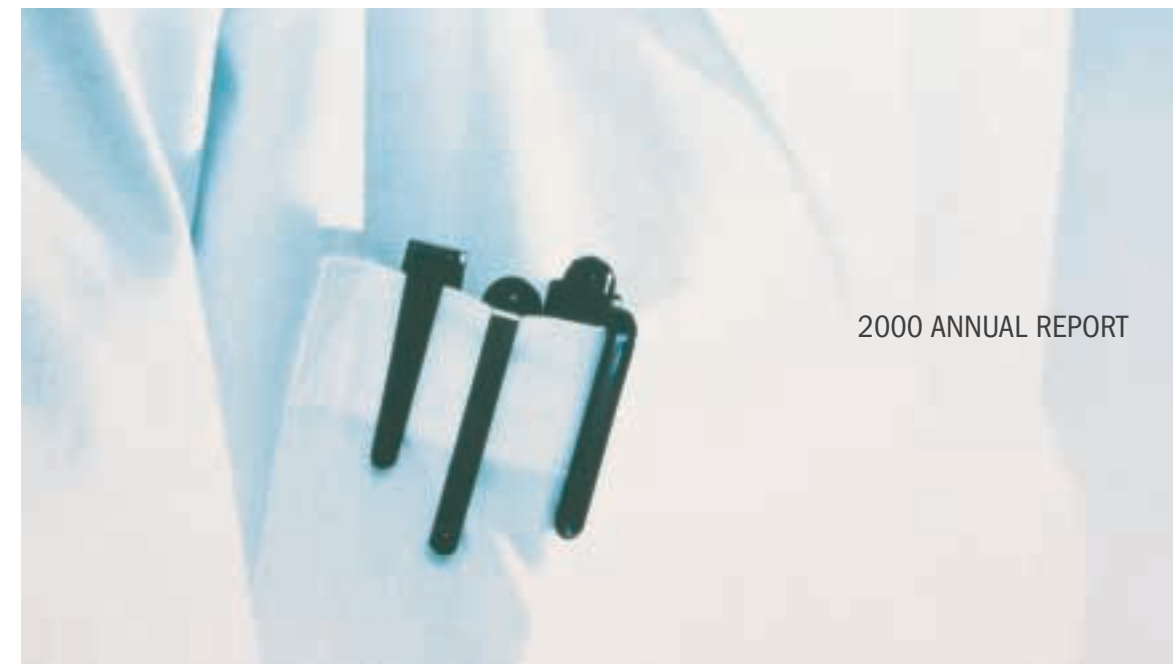




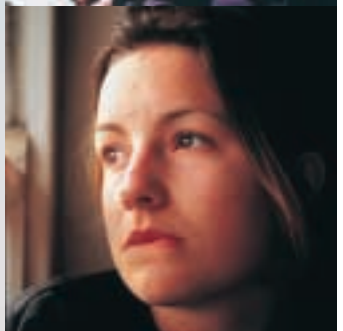
Cephalon, Inc.

*Creating Innovative Therapeutic Solutions®*

*Delivering on the Promise – Building for the Future*



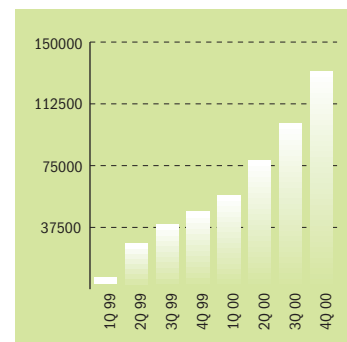
2000 ANNUAL REPORT



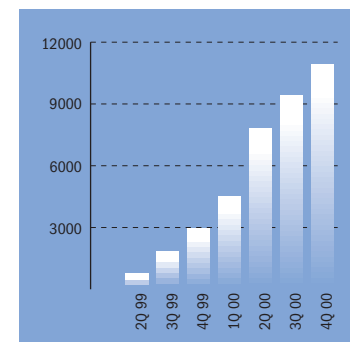
## PRODUCT DEVELOPMENT PIPELINE

PRODUCT/COMPOUND	Phase 1	Phase 2	Phase 3	Marketed in U.S.	Marketed in Europe	INDICATION/THERAPEUTIC TARGETS
PROVIGIL®				●	●	Excessive Daytime Sleepiness (EDS) Associated with Narcolepsy
			●			Obstructive Sleep Apnea
			●			Shift Work
			●			MS Fatigue
		●				Anti-Depressant Augmentation
		●				Parkinson's Disease
		●				Alzheimer's Disease
ACTIQ®				●	●	Breakthrough Cancer Pain
GABITRIL®				●		Partial Seizures in Epilepsy
Anafranil® (UK)					●	Depression & Obsessive Compulsive Disorder (OCD)
Lioresal® (UK)					●	Spasticity
Ritalin® (UK)					●	Attention Deficit Hyperactivity Disorder (ADHD)
ITB™ Therapy (UK)					●	Spasticity
Tegretol® (UK)					●	Epilepsy
Xilopar® (Germany)					●	Parkinson's Disease
Apokinin® (France)					●	Parkinson's Disease
CEP-701 Tyrosine Kinase Inhibitor		●				Prostate Cancer
CEP-701 Tyrosine Kinase Inhibitor	●					Pancreatic Cancer
CEP-1347 Mixed Lineage Kinase Inhibitor	●					Parkinson's Disease
CEP-5214 VEGF Inhibitor	●					Solid Tumors (2H'01)

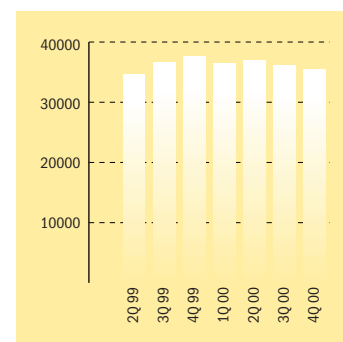
**PROVIGIL** Quarterly Prescription Growth



**ACTIQ** Quarterly Prescription Growth



**GABITRIL** Quarterly Prescription Growth



## COMPANY PROFILE

Founded in 1987, Cephalon, Inc., is an international biopharmaceutical company dedicated to the discovery, development and marketing of innovative products to treat neurological and sleep disorders as well as cancer and pain. The company is committed to providing patients and the medical community with novel pharmaceuticals to treat unmet medical conditions through its proprietary research programs and through acquisition of promising products for clinical development and commercial sale.

Headquartered in West Chester, Pa., Cephalon currently employs approximately 650 people in the United States and Europe. The company's European headquarters, Cephalon (UK) Limited, is based in Guildford, England, and supports offices in France and Germany.

## BUSINESS HIGHLIGHTS OF 2000

**INCREASED PRODUCT REVENUE BY 232% TO \$91.6 MILLION IN 2000, VS. \$27.6 MILLION IN 1999. ANNUAL REVENUE FROM OUR FLAGSHIP PRODUCT, PROVIGIL®, INCREASED 184% OVER THE SAME PERIOD.**

**ACQUIRED ANESTA CORP. IN A STOCK-FOR-STOCK TRANSACTION STRUCTURED AS A POOLING OF INTERESTS. EXPECTED TO BE ACCRETIVE IN 2001 AND BEYOND, THIS ACQUISITION ADDS TO OUR PORTFOLIO A NOVEL DRUG-DELIVERY TECHNOLOGY AS WELL AS ACTIQ®, A HIGH-GROWTH PRODUCT.**

**EXPANDED PROVIGIL'S INTERNATIONAL PRESENCE THROUGH COLLABORATIVE MARKETING AND DISTRIBUTION AGREEMENTS WITH CHOONGWAE PHARMA, DOMPE S.p.A. AND LABORATOIRE L. LAFON. CEPHALON AND ITS PARTNERS NOW MARKET AND DISTRIBUTE PROVIGIL IN THE UNITED STATES, THE UNITED KINGDOM, IRELAND, AUSTRIA, ITALY AND SWITZERLAND. REGULATORY APPROVAL IS PENDING IN LATIN AMERICA, JAPAN, SOUTH KOREA AND TAIWAN.**

**EXPANDED SALES EFFORTS IN EUROPE THROUGH NEW MARKETING AGREEMENTS WITH NOVARTIS PHARMA AG AND MEDTRONIC, INC. IN ADDITION TO PROVIGIL, XILOPAR® AND APOKINON®, THESE NEW PARTNERSHIPS ADDED ITB™ THERAPY, TEGRETOL®, RITALIN®, ANAFRANIL® AND LIORESAL® TO CEPHALON'S PRODUCT PORTFOLIO IN EUROPE**

**ACQUIRED EXCLUSIVE MARKETING RIGHTS TO GABITRIL IN THE UNITED STATES FROM ABBOTT LABORATORIES. THIS NOT ONLY ADDS ANOTHER CENTRAL NERVOUS SYSTEM DRUG TO OUR PRODUCT PORTFOLIO, BUT ALSO ENABLES US TO EXPLORE ITS THERAPEUTIC UTILITY AND MAXIMIZE ITS COMMERCIAL POTENTIAL.**

**ENTERED INTO A RESEARCH COLLABORATION AND LICENSE AGREEMENT WITH A JOHNSON & JOHNSON COMPANY TO DISCOVER AND DEVELOP SELECTIVE INHIBITORS OF CERTAIN PROTEIN KINASES. THESE KINASES, FROM CEPHALON'S CHEMICAL LIBRARY OF THOUSANDS OF PROPRIETARY CHEMICAL COMPOUNDS, MAY HAVE APPLICATIONS THAT EXTEND BEYOND OUR CURRENT FOCUS OF NEUROLOGY AND ONCOLOGY.**

**ADVANCED OUR TYROSINE KINASE INHIBITOR, CEP-701, INTO PHASE II CLINICAL TESTING IN HORMONE-REFRACTORY PROSTATE CANCER, AND WILL START PHASE I/II TESTING IN PANCREATIC CANCER IN 2001. CLINICAL STUDIES FOR THE TREATMENT OF SOLID TUMORS WITH ANOTHER OF OUR PROMISING COMPOUNDS, CEP-7055, ARE EXPECTED TO ADVANCE INTO PHASE I IN THE SECOND HALF OF 2001.**

**CONDUCTED INITIAL CLINICAL STUDIES WHICH SHOW THAT PROVIGIL MAY REDUCE FATIGUE IN MULTIPLE SCLEROSIS PATIENTS, IMPROVE PERFORMANCE AND PROMOTE ALERTNESS AMONG THOSE WHO WORK THE NIGHT SHIFT, AND REDUCE DAYTIME SLEEPINESS IN PATIENTS WHO SUFFER FROM OBSTRUCTIVE SLEEP APNEA.**

**Cephalon Proprietary Products:** PROVIGIL® (modafinil) Tablets [C-IV] ACTIQ® Oral transmucosal fentanyl citrate [C-II] GABITRIL® (tiagabine hydrochloride)

**Co-marketed Products:** Tegretol® (carbamazepine) Ritalin® (methylphenidate) Anafranil® (clomipramine) Lioresal® (baclofen) ITB™ Therapy (intrathecal baclofen) Xilopar® (selegiline HCl) Apokinin® (apomorphine hydrochloride)

*This report may contain forward-looking statements that provide the company's expectations or forecasts of future events. These statements involve risks and uncertainties associated with our business, and you are cautioned not to rely on such statements as our actual performance may differ from these expectations and forecasts. For a full description of our business and its associated risks and uncertainties, please refer to our Annual Report on Form 10-K on file with the U.S. Securities and Exchange Commission, a copy of which is attached.*

## TO MY FELLOW SHAREHOLDERS:

### THE YEAR 2000 MARKED A MAJOR TURNING POINT

in Cephalon's evolution, as we exceeded sales projections, added products and technology, forged new partnerships and elevated our research and development efforts. The net result is a more robust and diverse biopharmaceutical company that we expect will become profitable in 2001 and that is strategically positioned for future growth.



#### Executive Committee

Frank Baldino, Jr., Ph.D. (1)  
*Chairman and  
Chief Executive Officer*

J. Kevin Buchi (2)  
*Senior Vice President,  
Chief Financial Officer*

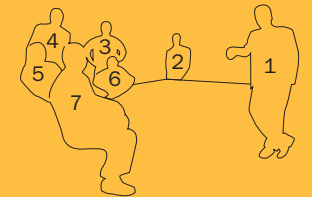
John E. Osborn (3)  
*Senior Vice President,  
General Counsel and Secretary*

Robert P. Roche, Jr. (4)  
*Senior Vice President,  
Pharmaceutical Operations*

Peter E. Grebow, Ph.D. (5)  
*Senior Vice President,  
Business Development*

Jeffrey L. Vaught, Ph.D. (6)  
*Senior Vice President and  
President Research and  
Development Division*

Carl A. Savini (7)  
*Senior Vice President,  
Human Resources*



#### WE'RE BUILDING A PRODUCT-DRIVEN FRANCHISE.

We have evolved into a company with three proprietary products in the United States – PROVIGIL®, ACTIQ® GABITRIL®— and we have expanded our reach and product portfolio into European markets through collaborative marketing and distribution agreements. The success of our flagship product, PROVIGIL, has exceeded expectations as quarterly growth outpaced our projections. PROVIGIL sales have increased rapidly from \$25 million in 1999 to \$72 million in 2000 and the momentum is continuing into 2001. By the end of 2000, approximately 60,000 patients in the United States were receiving PROVIGIL, roughly half to treat excessive daytime sleepiness associated with narcolepsy and half to treat other sleep and fatigue conditions. PROVIGIL has already achieved more than 50% penetration into the U.S.

narcolepsy market. In 2000, we expanded PROVIGIL's international presence with three new collaborative marketing agreements and PROVIGIL is now marketed in six countries by Cephalon or our partners.

Based upon the drug's success in treating excessive daytime sleepiness in narcolepsy and physicians' interest in exploring its broader utility, we believe PROVIGIL has potential in treating EDS associated with other medical conditions.

If approved for this broader label, PROVIGIL would address a much larger therapeutic need and patient population.

We have already conducted successful studies demonstrating PROVIGIL's benefits in treating EDS associated with narcolepsy, obstructive sleep apnea and circadian rhythm disorders, and are currently conducting additional studies which, if successful, should enable us to submit a

supplemental new drug application to the Food and Drug Administration for the broader EDS indication.

We also believe PROVIGIL® has potential in the treatment of fatigue resulting from multiple sclerosis and as adjunctive therapy for the treatment of depression, schizophrenia, Parkinson's disease (fatigue), chronic fatigue syndrome and traumatic brain injury. There are a number of clinical studies underway in these and other potential indications to explore the drug's therapeutic utility.

ACTIQ® was added to our product portfolio with the acquisition of Anesta Corp. in October 2000. Approved to treat breakthrough cancer pain, ACTIQ also holds promise in treating a number of chronic pain conditions. Sold in the United States since 1999, it was approved for use in the United Kingdom in October 2000 and the first step in our European commercialization plan. This acquisition not only gives us another high-growth product but also enables us to apply its patented oral transmucosal drug delivery technology to the development of new products. In addition, it is the catalyst for our commercial expansion into the fields of oncology and pain care. We are committed to maximizing ACTIQ's potential by launching an aggressive new marketing program, building its channels of distribution and marketing partners, and strengthening our oncology/pain management sales organization.

In 2000, we acquired the exclusive rights to market GABITRIL® in the United States from Abbott Laboratories. GABITRIL is a selective GABA reuptake inhibitor (SGRI) with a novel mechanism of action. In addition to treating partial seizures as an adjunctive therapy in patients with epilepsy, we believe the product holds tremendous potential in the treatment of a variety of neuropsychiatric disorders where GABA neurotransmission plays a role such as anxiety or bipolar disorder. We have launched a major marketing program to effectively reposition and promote this exciting

product and implemented a clinical development plan that will investigate these potential applications.

In November 2000, we entered into collaboration with the global pharmaceutical leader Novartis Pharma AG that enables Cephalon to sell and market four Novartis products with PROVIGIL in the United Kingdom. This collaboration not only accelerates our outlook for near-term profitability, but also provides a platform to expand our European subsidiary, which now markets a total of nine products. As a result, Cephalon Europe expects to become profitable in the first quarter of 2001.

#### **EXCITING POSSIBILITIES ARE IN THE RESEARCH AND DEVELOPMENT PIPELINE.**

At the close of 2000, we entered into a collaboration and license agreement with the R.W. Johnson Pharmaceutical Research Institute (PRI), a Johnson & Johnson company, to discover and develop selective protein kinase inhibitors that may have applications that extend beyond our current focus on neurology and oncology. In return for providing proprietary lead drug candidates, we will receive up-front and milestone payments from PRI, as well as royalties on future product sales. This strategic and important R&D collaboration will allow us to take full advantage of our discovery efforts by expanding the utility of these compounds beyond our current focus. This new R&D relationship underscores the breadth of our technology and provides our shareholders with opportunity beyond our capabilities today. We are excited about the possibilities and look forward to developing additional future collaborations.

Lead drug candidates for the PRI collaboration and other future collaborations will be selected from our ever-growing library of thousands of proprietary compounds, which has already yielded dozens of patents. This chemical library is the foundation of our in-house research program, which involves

more than 100 top scientists from around the world, working across multiple disciplines to achieve an understanding of the disease process utilizing a wide range of technologies. The goal is to find innovative products for clinical use in neurology, cancer and sleep medicine – products that alter the course of a disease and, in so doing, improve patient's lives.

This strength in chemistry, combined with newly identified biological targets, represents an important intersection of genomic information and drug development.

Several compounds have already emerged as especially promising candidates, all of them kinase inhibitors that either enhance cell survival or cause cell death. One such compound, CEP-1347 (which we are developing with H. Lundbeck A/S and Kyowa Hakko Kogyo Co. Ltd.) completed Phase I clinical studies in 2000 and will advance to Phase II in 2001. CEP-1347 inhibits a key molecular process that may underly the etiology of Parkinson's, Alzheimer's and other neurodegenerative diseases, and has the potential to become the first drug to alter the progression of disease.

A second promising compound, CEP-701, may play an important therapeutic role against hormone-refractory prostate cancer, the second-leading cause of cancer death in males over age 50. In pre-clinical studies, CEP-701 has been shown to inhibit a kinase integral to cancer cell survival, thus causing cell death. It is currently in development with two partners (Schwarz Pharma and Kyowa Hakko Kogyo) and is in Phase II clinical studies. CEP-701 has also entered Phase I/II testing as treatment for pancreatic cancer in the first half of 2001.

We are also extremely excited about CEP-7055, a compound, that in pre-clinical studies, prevents the development of the blood supply required for tumors to grow. This is an innovative approach to treating cancer and is very important because it targets only the tumor and not the surrounding tissue. As such, CEP-7055 may have fewer of the debilitating side

effects associated with other anti-cancer medications. CEP-7055 will begin Phase I testing in 2001.

#### **OUR STRATEGY FOR BUILDING UPON SUCCESS.**

We combine the dynamics of a product-driven pharmaceutical company with the possibilities of the biotechnology revolution. With three growth products marketed in the United States and nine products marketed internationally, we have emerged as an important player in key medical markets. Our success is supported by a proven strategy of marketing high-growth, innovative products with strong research and development potential, building our marketing and distribution channels, and investing in unique compounds that may change the course of a disease. Our strategy significantly diminishes the risk in our business and further distinguishes Cephalon from the majority of our peers.

We are laying a firm foundation for our company's future growth as we move toward profitability in 2001. With such a bright future on the horizon, I look forward to reporting on our progress in the months ahead and as always, appreciate your continued support.



Frank Baldino, Jr., Ph.D.

Chairman and Chief Executive Officer

March 30, 2001



## PROVIGIL<sup>®</sup> (modafinil) Tablets [C-IV]

PROVIGIL is a true breakthrough in the treatment of excessive daytime sleepiness (EDS) associated with narcolepsy. It combats EDS by significantly improving the ability to be alert, aware, and awake without interfering with the integrity of nighttime sleep. PROVIGIL is the only non-amphetamine drug approved for narcolepsy, a disease that occurs in approximately 1 out of every 1,000 persons and usually begins in the second decade of life. Patients with narcolepsy suffer from excessive sleepiness, feel drowsy, and are tired during the day even after getting enough nighttime sleep. Once narcolepsy appears, it is a lifelong condition.

## phenomenal Growth

### **FUTURE POSSIBILITIES:**

We believe that Cephalon is at the threshold of a phenomenal opportunity. Successful studies demonstrate Provigil's potential in treating EDS associated with narcolepsy, obstructive sleep apnea, shift work sleep disorder, and the fatigue associated with multiple sclerosis. PROVIGIL may also have therapeutic utility in treating the fatigue associated with a wide range of clinical conditions including chronic fatigue syndrome and traumatic brain injury. PROVIGIL may also have application in treating the excessive sleepiness associated with Parkinson's and Alzheimer's diseases and as an adjunctive therapy for depressed patients. As such, we have focused our human and capital resources into pursuing these potential applications and expect to see results from several of those studies in late 2001.



### **Quick Facts**

- About 40 million Americans suffer from EDS that could be related to a medical condition.
- Over 25 million Americans work the night shift or have non-traditional work schedules and 70% of them suffer from circadian rhythm-related disorders.
- About 80% of America's 300,000 multiple sclerosis patients suffer from persistent and debilitating fatigue.

# ACTIQ® (oral transmucosal fentanyl citrate) [C-II]

ACTIQ is the first drug specifically approved to treat breakthrough cancer pain. Such pain is severe and is often poorly controlled by the patient's chronic pain medication. Breakthrough cancer pain is unpredictable and difficult to treat, and can greatly diminish a patient's quality of life. ACTIQ is the first analgesic medication that comes in the form of a lozenge on a handle. This product empowers patients to manage their own pain relief by rubbing the lozenge on the inside of their cheek. ACTIQ provides an important new therapeutic option for patients with breakthrough cancer pain.

## unique Potential

### **FUTURE POSSIBILITIES:**

In addition to treating breakthrough cancer pain, ACTIQ may also have therapeutic utility in treating chronic pain conditions. We are also very excited about the possibilities that ACTIQ's oral transmucosal drug delivery technology may offer and are vigorously exploring its application in the development of new drugs.



### **Quick Facts**

- *Cancer affects more than 8 million Americans and strikes well over a million more each year.*
- *More than half of all cancer patients in the United States who experience moderate to severe pain, suffer from breakthrough pain.*
- *More than 50 million Americans suffer from chronic pain lasting six months or longer.*





## GABITRIL<sup>®</sup> (tiagabine hydrochloride)

GABITRIL is the first and only commercially available selective GABA reuptake inhibitor (SGRI) in the United States. Its novel mechanism of action enhances the activity of GABA by blocking its reuptake. GABA (gamma-amino butyric acid) is the central nervous system's most important inhibitory neurotransmitter as it regulates seizures, emotion, mood, thinking, memory, depression and pain.

# discovering Possibilities

### **FUTURE POSSIBILITIES:**

GABITRIL also appears to show promise as a mood stabilizer and we are investigating its value as a therapeutic agent for the treatment of anxiety, bipolar disorder, and agitation. In addition, GABITRIL has shown potential with a number of other conditions, including neuropathic pain, migraine, restless leg syndrome, spasticity and infantile spasms. We are aggressively investigating all of these possibilities and expect to have data from those studies in 2002.



### **Quick Facts**

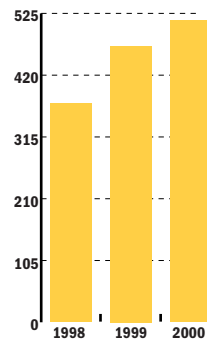
- *Partial seizures affect 50-70% of the 2 million Americans who have epilepsy—a disorder which strikes nearly 200,000 people each year.*
- *In any given year, about 9.5% of the population, or 19 million American adults, suffer from anxiety disorders.*
- *Nearly 23 million Americans suffer from migraine headaches. Research shows that 8 out of 10 migraine sufferers have severe or extremely severe attacks.*

## PERFORMANCE MEASUREMENTS

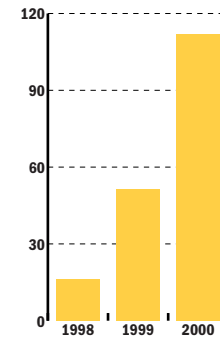
As of December 31, 2000

(Prior years restated for October 2000 Anesta Corp. acquisition accounted for as a pooling of interests.)

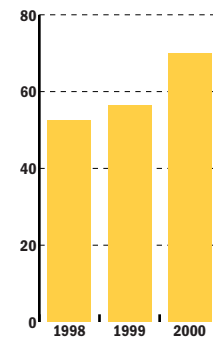
### EMPLOYEES



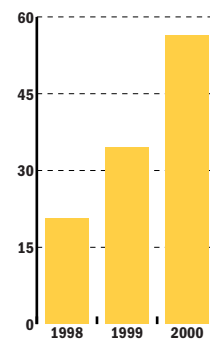
### TOTAL REVENUES (\$ in millions)



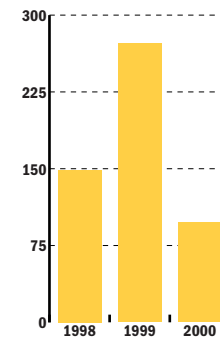
### RESEARCH AND DEVELOPMENT INVESTMENT (\$ in millions)



### SALES AND MARKETING INVESTMENT (\$ in millions)



### CASH, CASH EQUIVALENT AND INVESTMENTS\* (\$ in millions)



\* Net results are primarily due to operating losses and cash disbursements relating to the Gabitril product acquisition and the Novartis marketing collaboration.

## FINANCIAL SECTION

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## CORPORATE INFORMATION

### DIRECTORS

Frank Baldino, Jr., Ph.D.  
Chairman and  
Chief Executive Officer  
Cephalon, Inc.

William P. Egan  
President  
Burr, Egan, Deleage & Company

Robert J. Feeney, Ph.D.  
Former General Partner  
Hambrecht & Quist  
Life Science Technology Fund

Martyn D. Greenacre  
Chief Executive Officer  
and Director  
Delsys Pharmaceutical Corp.

David R. King\*  
President & Director  
Delsys Pharmaceutical

Kevin E. Moley  
Former Chairman  
Patient Care Dynamics

Horst Witzel, Dr.-Ing.  
Former Chairman of the Board  
of Executive Directors  
Schering AG

\*Retires from Cephalon Board on May 17, 2001

### OFFICERS

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

Paul Blake, F.R.C.P.  
Senior Vice President,  
Clinical Research and Regulatory Affairs

J. Kevin Buchi  
Senior Vice President and  
Chief Financial Officer

Peter E. Grebow, Ph.D.  
Senior Vice President,  
Business Development

John E. Osborn  
Senior Vice President,  
General Counsel and Secretary

Robert P. Roche, Jr.  
Senior Vice President,  
Pharmaceutical Operations

Carl A. Savini  
Senior Vice President,  
Human Resources

Jeffrey L. Vaught, Ph.D.  
Senior Vice President and  
President Research and  
Development Division

### SCIENTIFIC ADVISORY BOARD

Stanley H. Appel, M.D.  
Baylor College of Medicine

Stanley Cohen, Ph.D.  
Vanderbilt University

Robert Y. Moore, M.D., Ph.D.  
University of Pittsburgh

Robert H. Roth, Ph.D.  
Yale University School of Medicine

Shirley M. Tilghman, Ph.D.  
Princeton University

### MEDICAL ADVISORY BOARD

Arthur K. Asbury, M.D.  
University of Pennsylvania  
Medical Center

Robert L. Barchi, M.D. Ph.D.  
University of Pennsylvania  
Medical Center

Dennis Choi, M.D., Ph.D.  
Washington University  
School of Medicine

Steven T. DeKosky, M.D.  
Western Psychiatric Institute and Clinic

Richard Johnson, M.D.  
Johns Hopkins Hospital

Robert Y. Moore, M.D., Ph.D.  
University of Pittsburgh

### CORPORATE HEADQUARTERS

Worldwide Headquarters:  
145 Brandywine Parkway  
West Chester, PA 19380

European Headquarters:  
Cephalon (UK) Limited  
11/13 Frederick Sanger Road  
Surrey Research Park  
Guildford, GU2 5YD  
United Kingdom

### INVESTOR RELATIONS

Cephalon invites stockholders, security analysts, representatives of the financial community and members of the business media to contact:

MaryBeth Alvin  
Director of Investor Relations  
[malvin@cephalon.com](mailto:malvin@cephalon.com)  
610-344-0200  
145 Brandywine Parkway  
West Chester, PA 19380

Interested parties may view literature and press releases about Cephalon by visiting its site on the World Wide Web at [www.cephalon.com](http://www.cephalon.com) or by direct request to the company's Investor Relations office.

### SEC FORM 10-K

Attached is a copy of the company's Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission. Additional copies are available without charge by contacting Cephalon's Investor Relations office at 610-344-0200.

### COMMON STOCK LISTING AND PRICE RANGE

The common stock of Cephalon is traded on the NASDAQ National Market System under the symbol CEPH. The following table lists the high and low trading prices for Cephalon common stock as reported by NASDAQ.

	2000		1999	
	High	Low	High	Low
Fourth Quarter	\$63.38	\$40.13	\$37.13	\$14.00
Third Quarter	83.63	36.50	22.13	15.13
Second Quarter	66.88	32.50	17.75	8.94
First Quarter	74.38	29.88	11.00	7.25

There were 755 shareholders of record on March 19, 2001.

### TRANSFER AGENT AND REGISTRAR

Stock Trans, Inc.  
44 W. Lancaster Avenue  
Ardmore, Pa 19003  
[www.stocktrans.com](http://www.stocktrans.com)

Cephalon's transfer agent offers a variety of shareholder services, including:

- Change of address
- Lost stock certificates
- Stock transfer
- Account consolidation

### ANNUAL MEETING

Cephalon shareholders are invited to attend our annual meeting which will be held at 9:30 a.m. on May 17, 2001 at the Desmond Great Valley Hotel and Conference Center, One Liberty Blvd., Malvern, PA

### INDEPENDENT AUDITORS

Arthur Anderson L.L.P.  
1601 Market Street  
Philadelphia, PA 19103

### LEGAL COUNSEL

Morgan, Lewis & Bockius  
1701 Market Street  
Philadelphia, PA 19103

### DIVIDENDS

The company has not paid any cash dividends on the common stock since its inception.

### TRADEMARKS

PROVIGIL is a registered trademark of Genelco, S.A., which is licensed to Cephalon, Inc. GABITRIL is a registered trademark of Cephalon, Inc.

ACTIQ is a registered trademark of Cephalon, Inc. Cephalon, the tagline, and the "C" logo are registered trademarks of Cephalon, Inc.

Tegretol, Ritalin, Anafranil and Lioresal are registered trademarks of Novartis Pharma AG.

Apokinin is a registered trademark of Laboratoire Aguettant S.A.

ITB Therapy is a trademark of Medtronic, Inc.

Xilopar is a registered trademark of Elan Pharma International, Ltd.