

Amgen Inc.
**Condensed Consolidated Statements of Income and
Reconciliation of GAAP Earnings to "Adjusted" Earnings**
(In millions, except per share data)
(Unaudited)

	Three months ended September 30, 2011			Three months ended September 30, 2010		
	GAAP	Adjustments	"Adjusted"	GAAP	Adjustments	"Adjusted"
Revenues:						
Product sales.....	\$ 3,877	\$ -	\$ 3,877	\$ 3,759	\$ -	\$ 3,759
Other revenues.....	67	-	67	57	-	57
Total revenues.....	<u>3,944</u>	<u>-</u>	<u>3,944</u>	<u>3,816</u>	<u>-</u>	<u>3,816</u>
Operating expenses:						
Cost of sales (excludes amortization of certain acquired intangible assets presented below).....	605	(12) (a)	593	587	(3) (a)	584
Research and development.....	761	2 (b)	763	719	(30) (b)	689
Selling, general and administrative.....	1,125	(12) (c)	1,113	957	(15) (c)	942
Amortization of certain acquired intangible assets.....	74	(74) (d)	-	74	(74) (d)	-
Other.....	854	(854) (e)	-	-	-	-
Total operating expenses.....	<u>3,419</u>	<u>(950)</u>	<u>2,469</u>	<u>2,337</u>	<u>(122)</u>	<u>2,215</u>
Operating income.....	525	950	1,475	1,479	122	1,601
Interest expense, net.....	158	(33) (f)	125	150	(67) (f)	83
Interest and other income, net.....	<u>87</u>	<u>-</u>	<u>87</u>	<u>105</u>	<u>-</u>	<u>105</u>
Income before income taxes.....	454	983	1,437	1,434	189	1,623
Provision for income taxes.....	<u>-</u>	<u>157</u> (g)	<u>157</u> (h)	<u>198</u>	<u>112</u> (g)	<u>310</u>
Net income.....	<u>\$ 454</u>	<u>\$ 826</u>	<u>\$ 1,280</u>	<u>\$ 1,236</u>	<u>\$ 77</u>	<u>\$ 1,313</u>
Earnings per share:						
Basic.....	\$ 0.50		\$ 1.41	\$ 1.29		\$ 1.37
Diluted (i).....	\$ 0.50		\$ 1.40	\$ 1.28		\$ 1.36
Average shares used in calculation of earnings per share:						
Basic.....	907		907	958		958
Diluted (i).....	914		913	962		962

(a) - (i) See explanatory notes on the following pages.

Amgen Inc.
**Condensed Consolidated Statements of Income and
Reconciliation of GAAP Earnings to "Adjusted" Earnings**
(In millions, except per share data)
(Unaudited)

	Nine months ended September 30, 2011			Nine months ended September 30, 2010		
	GAAP	Adjustments	"Adjusted"	GAAP	Adjustments	"Adjusted"
Revenues:						
Product sales.....	\$ 11,388	\$ -	\$ 11,388	\$ 10,900	\$ -	\$ 10,900
Other revenues.....	221	-	221	312	-	312
Total revenues.....	<u>11,609</u>	<u>-</u>	<u>11,609</u>	<u>11,212</u>	<u>-</u>	<u>11,212</u>
Operating expenses:						
Cost of sales (excludes amortization of certain acquired intangible assets presented below).....	1,771	(69) (a)	1,702	1,648	(11) (a)	1,637
Research and development.....	2,316	(42) (b)	2,274	2,040	(92) (b)	1,948
Selling, general and administrative.....	3,278	(43) (c)	3,235	2,827	(44) (c)	2,783
Amortization of certain acquired intangible assets.....	221	(221) (d)	-	221	(221) (d)	-
Other.....	873	(873) (e)	-	(1)	1 (e)	-
Total operating expenses.....	<u>8,459</u>	<u>(1,248)</u>	<u>7,211</u>	<u>6,735</u>	<u>(367)</u>	<u>6,368</u>
Operating income.....	3,150	1,248	4,398	4,477	367	4,844
Interest expense, net.....	415	(109) (f)	306	442	(198) (f)	244
Interest and other income, net.....	<u>364</u>	<u>-</u>	<u>364</u>	<u>283</u>	<u>-</u>	<u>283</u>
Income before income taxes.....	3,099	1,357	4,456	4,318	565	4,883
Provision for income taxes.....	<u>350</u>	<u>287</u> (g)	<u>637</u>	<u>713</u>	<u>249</u> (g)	<u>962</u>
Net income.....	<u>\$ 2,749</u>	<u>\$ 1,070</u>	<u>\$ 3,819</u>	<u>\$ 3,605</u>	<u>\$ 316</u>	<u>\$ 3,921</u>
Earnings per share:						
Basic	\$ 2.98		\$ 4.14	\$ 3.73		\$ 4.06
Diluted (i)	\$ 2.96		\$ 4.11	\$ 3.71		\$ 4.04
Average shares used in calculation of earnings per share:						
Basic	922		922	966		966
Diluted (i)	930		929	971		971

(a) - (i) See explanatory notes on the following pages.

Amgen Inc.
Notes to Reconciliation of GAAP Earnings to "Adjusted" Earnings
(In millions, except per share data)
(Unaudited)

	Three months ended		Nine months ended	
	2011	2010	2011	2010
(a) Adjustments to cost of sales:				
Stock option expense (j)	\$ (2)	\$ (3)	\$ (8)	\$ (11)
Incremental expense resulting from accelerating depreciation as a result of our transaction with Boehringer Ingelheim involving our Fremont, California manufacturing facility (the BI transaction)	(10)	-	(31)	-
Loss accruals for facility operating leases associated with the BI transaction	-	-	(23)	-
Incremental expense resulting from recording inventory acquired at fair value, which is in excess of historical cost, in the Laboratorio Químico Farmaceutico Bergamo Ltd business combination	-	-	(7)	-
Total adjustments to cost of sales	<u>\$ (12)</u>	<u>\$ (3)</u>	<u>\$ (69)</u>	<u>\$ (11)</u>
(b) Adjustments to research and development expenses:				
Stock option expense (j)	\$ (8)	\$ (12)	\$ (27)	\$ (40)
Non-cash amortization of R&D technology intangible assets acquired in business combinations in prior years	(2)	(18)	(20)	(52)
Reversal of previously accrued expenses for bonuses and stock-based compensation awards, which were forfeited as a result of the employees' termination pursuant to our continuing efforts to improve cost efficiencies in our operations	12	-	12	-
Expense resulting from the cash settlement of unvested employee stock options in connection with the BioVex Group, Inc. (BioVex) business combination	-	-	(7)	-
Total adjustments to research and development expenses	<u>\$ 2</u>	<u>\$ (30)</u>	<u>\$ (42)</u>	<u>\$ (92)</u>
(c) Adjustments to selling, general and administrative expenses:				
Stock option expense (j)	\$ (9)	\$ (15)	\$ (32)	\$ (44)
Merger-related expenses associated with certain of our recent business combinations	(3)	-	(11)	-
Total adjustments to selling, general and administrative expenses	<u>\$ (12)</u>	<u>\$ (15)</u>	<u>\$ (43)</u>	<u>\$ (44)</u>
(d) Adjustments to amortization of certain acquired intangible assets:				
Non-cash amortization of product technology rights acquired in a prior year business combination	<u>\$ (74)</u>	<u>\$ (74)</u>	<u>\$ (221)</u>	<u>\$ (221)</u>
(e) Adjustments to other operating expenses:				
Certain charges, primarily severance, pursuant to our continuing efforts to improve cost efficiencies in our operations.	\$ (68)	\$ -	\$ (79)	\$ -
Expense resulting from changes in the estimated fair values of the contingent consideration obligations related to the BioVex business combination	(6)	-	(9)	-
(Expense)/benefit related to certain legal proceedings	(780)	-	(785)	1
Total adjustments to other operating expenses	<u>\$ (854)</u>	<u>\$ -</u>	<u>\$ (873)</u>	<u>\$ 1</u>
(f) Adjustments to interest expense, net:				
Non-cash interest expense associated with our convertible notes	<u>\$ (33)</u>	<u>\$ (67)</u>	<u>\$ (109)</u>	<u>\$ (198)</u>
(g) Adjustments to provision for income taxes:				
Income tax effect of the above adjustments (k)	\$ 150	\$ 74	\$ 275	\$ 211
Income tax benefit related to certain prior period charges excluded from "Adjusted" earnings	7	-	12	-
Income tax benefit from resolving certain non-routine transfer pricing issues with tax authorities	-	38	-	38
Provision for income taxes adjustments	<u>\$ 157</u>	<u>\$ 112</u>	<u>\$ 287</u>	<u>\$ 249</u>

(h) The "Adjusted" tax rate for the three months ended September 30, 2011 was 10.9%, which includes the impact of the Puerto Rico excise tax. The following table reconciles the "Adjusted" tax rate including and excluding the Puerto Rico excise tax:

	Three months ended September 30, 2011
"Adjusted" tax rate with Puerto Rico excise tax.....	10.9%
Puerto Rico excise tax.....	6.5%
"Adjusted" tax rate excluding Puerto Rico excise tax.....	17.4%

Amgen Inc.
Notes to Reconciliation of GAAP Earnings to "Adjusted" Earnings
(In millions, except per share data)
(Unaudited)

(i) The following table presents the computations for GAAP and "Adjusted" diluted EPS, computed under the treasury stock method. "Adjusted" EPS presented below excludes stock option expense:

	Three months ended September 30, 2011		Three months ended September 30, 2010	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 454	\$ 1,280	\$ 1,236	\$ 1,313
Shares (Denominator):				
Weighted-average shares for basic EPS.....	907	907	958	958
Effect of dilutive securities.....	7	6 (*)	4	4 (*)
Weighted-average shares for diluted EPS.....	914	913	962	962
Diluted EPS	\$ 0.50	\$ 1.40	\$ 1.28	\$ 1.36
	Nine months ended September 30, 2011		Nine months ended September 30, 2010	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 2,749	\$ 3,819	\$ 3,605	\$ 3,921
Shares (Denominator):				
Weighted-average shares for basic EPS.....	922	922	966	966
Effect of dilutive securities.....	8	7 (*)	5	5 (*)
Weighted-average shares for diluted EPS.....	930	929	971	971
Diluted earnings per share	\$ 2.96	\$ 4.11	\$ 3.71	\$ 4.04

(*) Dilutive securities used to compute "Adjusted" diluted EPS for the three and nine months ended September 30, 2011 and 2010 were computed under the treasury stock method assuming that we do not expense stock options.

(j) For the three and nine months ended September 30, 2011 and 2010, the total pre-tax expense for employee stock options was \$19 million and \$67 million, respectively and \$30 million and \$95 million, respectively.

"Adjusted" diluted EPS including the impact of stock option expense for the three and nine months ended September 30, 2011 and 2010 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
"Adjusted" diluted EPS, excluding stock option expense.....	\$ 1.40	\$ 1.36	\$ 4.11	\$ 4.04
Impact of stock option expense (net of tax).....	(0.01)	(0.01)	(0.05)	(0.07)
"Adjusted" diluted EPS, including stock option expense.....	\$ 1.39	\$ 1.35	\$ 4.06	\$ 3.97

(k) The tax provision (benefit) for the adjustments between our GAAP and "Adjusted" results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact at the U.S. marginal tax rate for certain adjustments, including amortization of intangible assets and non-cash interest expense associated with our convertible notes, whereas the tax impact of other adjustments, including the charge for certain legal proceedings and stock option expense, depends on whether the amounts are deductible in the tax jurisdictions where the expenses are incurred or the asset is located and the applicable tax rate(s) in those jurisdictions. Due to these factors, the effective tax rates for the adjustments to our GAAP results noted in notes (a) - (f) above, for the three and nine months ended September 30, 2011 and 2010 were 15.3% and 20.3% and 39.2% and 37.3%, respectively.

Provided October 24, 2011 as part of an oral presentation and is qualified by such, contains forward-looking statements, actual results may vary materially; Amgen disclaims any duty to update.

Amgen Inc.
Product Sales Detail by Product and Geographic Region
(In millions)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Neulasta® - U.S.....	\$ 757	\$ 692	\$ 2,236	\$ 1,972
NEUPOGEN® - U.S.....	258	250	708	700
Neulasta® - International.....	246	224	718	668
NEUPOGEN® - International.....	74	88	231	267
Enbrel® - U.S.....	863	856	2,578	2,429
Enbrel® - Canada.....	62	58	178	166
XGEVA® - U.S.....	100	-	215	-
XGEVA® - International.....	2	-	2	-
Prolia® - U.S.....	31	7	78	10
Prolia® - International.....	20	3	44	3
Aranesp® - U.S.....	272	283	763	818
Aranesp® - International.....	328	340	1,002	1,035
EPOGEN® - U.S.....	476	653	1,554	1,933
Sensipar® - U.S.....	135	115	375	344
Mimpara® - International.....	71	60	217	182
Vectibix® - U.S.....	30	30	91	84
Vectibix® - International.....	49	40	144	125
Nplate® - U.S.....	43	35	120	95
Nplate® - International.....	34	25	97	69
Other - International.....	26	-	37	-
Total product sales.....	<u>\$ 3,877</u>	<u>\$ 3,759</u>	<u>\$ 11,388</u>	<u>\$ 10,900</u>
U.S.....	\$ 2,965	\$ 2,921	\$ 8,718	\$ 8,385
International.....	<u>912 (a)</u>	<u>838</u>	<u>2,670 (b)</u>	<u>2,515</u>
Total product sales.....	<u>\$ 3,877 (a)</u>	<u>\$ 3,759</u>	<u>\$ 11,388 (b)</u>	<u>\$ 10,900</u>

(a) The change in international product sales for the three months ended September 30, 2011 was positively impacted by \$35 million due to foreign exchange (including \$14 million for Neulasta®/NEUPOGEN®, \$10 million for Aranesp®, \$4 million for Mimpara®, \$3 million for Vectibix®, \$2 million for Nplate®, \$1 million for ENBREL and \$1 million for Prolia®).

(b) The change in international product sales for the nine months ended September 30, 2011 was positively impacted by \$61 million due to foreign exchange (including \$25 million for Neulasta®/NEUPOGEN®, \$16 million for Aranesp®, \$6 million for Mimpara®, \$5 million for Vectibix®, \$3 million for Nplate®, \$3 million for ENBREL and \$3 million for Prolia®).

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Amgen Inc.
Condensed Consolidated Balance Sheets - GAAP
(In millions)
(Unaudited)

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Assets		
Current assets:		
Cash, cash equivalents and marketable securities.....	\$ 17,676	\$ 17,422
Trade receivables, net.....	2,725	2,335
Inventories.....	2,357	2,022
Other current assets.....	<u>1,672</u>	<u>1,350</u>
Total current assets.....	24,430	23,129
Property, plant and equipment, net.....	5,391	5,522
Intangible assets, net.....	2,683	2,230
Goodwill.....	11,768	11,334
Other assets.....	<u>1,493</u>	<u>1,271</u>
Total assets.....	<u>\$ 45,765</u>	<u>\$ 43,486</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 4,931	\$ 4,082
Commercial paper borrowings.....	300	-
Current portion of long-term debt.....	<u>84</u>	<u>2,488</u>
Total current liabilities.....	5,315	6,570
Long-term debt.....	13,881	10,874
Other non-current liabilities.....	3,016	2,098
Stockholders' equity.....	<u>23,553</u>	<u>23,944</u>
Total liabilities and stockholders' equity.....	<u>\$ 45,765</u>	<u>\$ 43,486</u>
Shares outstanding.....	879	932

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Amgen Inc.
Reconciliation of GAAP Debt Outstanding to "Adjusted" Debt Outstanding
(In millions)
(Unaudited)

	<u>September 30, 2011</u>			<u>September 30, 2010</u>		
	<u>GAAP</u>	<u>Adjustments for accounting standard</u>	<u>"Adjusted"</u>	<u>GAAP</u>	<u>Adjustments for accounting standard</u>	<u>"Adjusted"</u>
Total debt outstanding.....	\$ 14,265	\$ 188 (a)	\$ 14,453	\$ 13,292	\$ 368 (a)	\$ 13,660

(a) To exclude the impact of adopting an accounting standard on January 1, 2009 that changed the method of accounting for our convertible notes.

Amgen Inc.
Reconciliation of GAAP Stockholders' Equity to Stockholders' Equity as adjusted for impact of accounting standard
(In millions)
(Unaudited)

	<u>September 30, 2011</u>			<u>September 30, 2010</u>		
	<u>GAAP</u>	<u>Adjustments for accounting standard</u>	<u>"Adjusted"</u>	<u>GAAP</u>	<u>Adjustments for accounting standard</u>	<u>"Adjusted"</u>
Stockholders' equity.....	\$ 23,553	\$ (108) (a)	\$ 23,445	\$ 24,071	\$ (220) (a)	\$ 23,851

(a) To exclude the impact of adopting an accounting standard on January 1, 2009 that changed the method of accounting for our convertible notes.

Amgen Inc.
Reconciliation of GAAP EPS Guidance to "Adjusted"
EPS Guidance for the Year Ending December 31, 2011
(Unaudited)

On October 24, 2011, the Company increased its "Adjusted" EPS guidance to be in the range of \$5.15 to \$5.30. The following table shows a reconciliation of GAAP EPS (diluted) guidance to "Adjusted" EPS (diluted) guidance.

	<u>2011</u>		
GAAP EPS (diluted) guidance	\$ 3.89	-	\$ 4.05
Known adjustments to arrive at "Adjusted" earnings*:			
Expense related to certain legal proceedings..... (a)			0.77
Amortization of acquired intangible assets, product technology rights..... (b)			0.20
Non-cash interest expense associated with our convertible notes..... (c)			0.10
Stock option expense..... (d)	0.06	-	0.07
Charges associated with cost efficiency improvement efforts..... (e)			0.05
Charges associated with the BI Fremont transaction..... (f)			0.04
Merger-related expenses..... (g)			0.03
Amortization of acquired intangible assets, R&D technology rights..... (h)			0.01
Tax benefit for prior period charges..... (i)			(0.01)
"Adjusted" EPS (diluted) guidance	<u>\$ 5.15</u>	<u>-</u>	<u>\$ 5.30</u>

* The known adjustments are presented net of their related aggregate tax impact of approximately \$0.35 per share.

- (a) To exclude the expense related to certain legal proceedings.
- (b) To exclude the ongoing, non-cash amortization of product technology rights acquired in a prior year business combination.
- (c) To exclude the non-cash interest expense associated with our convertible notes.
- (d) To exclude stock option expense.
- (e) To exclude certain charges, primarily severance, pursuant to our continuing efforts to improve cost efficiencies in our operations.
- (f) To exclude charges associated with the BI Fremont transaction involving our manufacturing operation in Fremont, California.
- (g) To exclude merger-related expenses associated with our recent business combinations.
- (h) To exclude the ongoing, non-cash amortization of the R&D technology intangible assets acquired in business combinations in prior years.
- (i) To exclude the income tax benefit related principally to certain prior period charges excluded from "Adjusted" earnings.

Reconciliation of GAAP Tax Rate Guidance to "Adjusted"
Tax Rate Guidance for the Year Ending December 31, 2011
(Unaudited)

On October 24, 2011, the Company updated its "Adjusted" tax rate guidance to be in the range of 14% to 15% after taking into account the impact of the foreign tax credit associated with the Puerto Rico (PR) excise tax. Excluding the PR excise tax, Amgen still expects the adjusted tax rate for 2011 to be in the range of 19 percent to 20 percent.

	<u>2011 with PR excise tax</u>			<u>2011 without PR excise tax</u>		
GAAP tax rate guidance	10.9%	-	12.3%	17.8%	-	19.1%
Tax rate effect of known adjustments discussed above.....	2.7%	-	3.1%	0.9%	-	1.2%
"Adjusted" tax rate guidance	<u>14.0%</u>	<u>-</u>	<u>15.0%</u>	<u>19.0%</u>	<u>-</u>	<u>20.0%</u>

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