



Pioneering science delivers vital medicines™

Q3 '12 Earnings Call

October 23, 2012

Safe Harbor Statement

This presentation contains forward-looking statements that are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements about estimates of revenues, operating margins, capital expenditures, cash, other financial metrics, expected legal, arbitration, political, regulatory or clinical results or practices, customer and prescriber patterns or practices, reimbursement activities and outcomes and other such estimates and results. Forward-looking statements involve significant risks and uncertainties, including those discussed below and more fully described in the Securities and Exchange Commission (SEC) reports filed by Amgen, including Amgen's most recent annual report on Form 10-K and most recent periodic reports on Form 10-Q and Form 8-K. Please refer to Amgen's most recent Forms 10-K, 10-Q and 8-K for additional information on the uncertainties and risk factors related to our business. Unless otherwise noted, Amgen is providing this information as of October 23, 2012 and expressly disclaims any duty to update information contained in this presentation.

No forward-looking statement can be guaranteed and actual results may differ materially from those we project. The Company's results may be affected by our ability to successfully market both new and existing products domestically and internationally, clinical and regulatory developments (domestic or foreign) involving current and future products, sales growth of recently launched products, competition from other products (domestic or foreign) and difficulties or delays in manufacturing our products. In addition, sales of our products are affected by reimbursement policies imposed by third-party payers, including governments, private insurance plans and managed care providers and may be affected by regulatory, clinical and guideline developments and domestic and international trends toward managed care and healthcare cost containment as well as U.S. legislation affecting pharmaceutical pricing and reimbursement. Government and others' regulations and reimbursement policies may affect the development, usage and pricing of our products. Furthermore, our research, testing, pricing, marketing and other operations are subject to extensive regulation by domestic and foreign government regulatory authorities. We or others could identify safety, side effects or manufacturing problems with our products after they are on the market. Our business may be impacted by government investigations, litigation and products liability claims. Further, while we routinely obtain patents for our products and technology, the protection offered by our patents and patent applications may be challenged, invalidated or circumvented by our competitors. We depend on third parties for a significant portion of our manufacturing capacity for the supply of certain of our current and future products and limits on supply may constrain sales of certain of our current products and product candidate development. In addition, we compete with other companies with respect to some of our marketed products as well as for the discovery and development of new products. Discovery or identification of new product candidates cannot be guaranteed and movement from concept to product is uncertain; consequently, there can be no guarantee that any particular product candidate will be successful and become a commercial product. Further, some raw materials, medical devices and component parts for our products are supplied by sole third-party suppliers. Our business performance could affect or limit the ability of our Board of Directors to declare a dividend or our ability to pay a dividend or repurchase our common stock.

This presentation includes GAAP and non-GAAP financial measures. In accordance with the requirements of SEC Regulation G, reconciliations between these two measures, if these slides are in hard copy, accompany the hard copy presentation or, if these slides are delivered electronically, are available on the Company's website at www.amgen.com within the Investors section.

Agenda

Introduction	Arvind Sood
Opening Remarks	Bob Bradway
Q3 '12 Business Results	Jon Peacock
Global Commercial Review	Tony Hooper
R&D Review	Sean Harper
Q&A	All

Q3 '12 Adjusted Income Statement

\$ Millions, Except Adjusted EPS

Item	Q3 '12	Q3 '11	B/(W) %
Revenue	\$4,319	\$3,944	10%
Product Sales	\$4,201	\$3,877	8%
Other Revenues	\$118	\$67	
Operating Expenses	\$2,633	\$2,469	(7%)
Cost of Sales <i>% of product sales</i>	\$674 16.0%	\$593 15.3%	(14%)
R&D <i>% of product sales</i>	\$849 20.2%	\$763 19.7%	(11%)
SG&A <i>% of product sales</i>	\$1,110 26.4%	\$1,113 28.7%	0%
Operating Income	\$1,686	\$1,475	14%
Other Income/(Expense)	(\$125)	(\$38)	
Net Income	\$1,311	\$1,280	2%
Adjusted EPS	\$1.67	\$1.40	19%
Average Shares	783	913	14%
Tax Rate	16.0%	10.9%	

All income statement items for Q3 '12 and/or Q3 '11, except revenue, are adjusted non-GAAP financial measures—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, or amounts pertain to previously issued financial guidance, see reconciliations available at: www.amgen.com within the Investors section.

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Balance Sheet and Cash Flow

\$ Billions

Cash Flow Data	Q3 '12	Q3 '11
Capital Expenditures	\$0.2	\$0.1
Free Cash Flow*	1.6	0.9
Cost of Shares Repurchased	0.8	2.4
Dividend Paid	0.3	0.3
Balance Sheet Data	Q3 '12	Q3 '11
Cash Balance	\$25.4	\$17.7
Debt Outstanding*	26.5	14.5
Stockholders' Equity	19.9	23.6

*Adjusted, non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section.

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2012 Revenue and EPS Guidance Updated

	Updated Guidance	Previous Guidance
Revenue	\$17.2B–\$17.3B	\$16.9B–\$17.2B
Adjusted EPS*	\$6.50–\$6.60	\$6.20–\$6.35
Adjusted Tax Rate*	Reaffirmed	14.0%–15.0%
Capital Expenditures		~\$700M

***Adjusted, non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section.**

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Global Commercial Review

\$ Millions, Net Sales

	Q3 '12			Q3 '11	YoY Δ
	US	ROW	TOTAL	TOTAL	TOTAL
Neulasta®/NEUPOGEN®	\$1,073	\$282	\$1,355	\$1,335	1%
Neulasta®	824	220	1,044	1,003	4%
NEUPOGEN®	249	62	311	332	(6%)
Enbrel®	1,012	67	1,079	925	17%
Aranesp®	178	319	497	600	(17%)
EPOGEN®	491	—	491	476	3%
Sensipar®/Mimpara®	172	71	243	206	18%
Vectibix®	30	58	88	79	11%
Nplate®	53	38	91	77	18%
XGEVA®	171	30	201	102	97%
Prolia®	68	42	110	51	116%
Other¹	—	46	46	26	77%
Total Product Sales	\$3,248	\$953	\$4,201	\$3,877	8%

1. Other includes Bergamo and Mustafa Nevzat

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Q3 '12 R&D Update

Romosozumab (AMG 785)

- Phase 2 PMO data recently presented at American Society of Bone and Mineral Research meeting
- Twelve-month Phase 2 fracture healing data are expected in the first half of 2013

AMG 145

- Phase 2 data to be presented at American Heart Association meeting in November

Brodalumab (AMG 827)

- Enrollment in three Phase 3 psoriasis studies is underway

Ganitumab (AMG 479)

- Phase 3 study in metastatic pancreatic cancer terminated for futility

Prolia®

- Received FDA approval for male osteoporosis indication

PMO = postmenopausal osteoporosis

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Reconciliations

Amgen Inc.
Condensed Consolidated Statements of Income - GAAP
(In millions, except per share data)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Revenues:				
Product sales.....	\$ 4,201	\$ 3,877	\$ 12,302	\$ 11,388
Other revenues.....	118	67	542	221
Total revenues.....	<u>4,319</u>	<u>3,944</u>	<u>12,844</u>	<u>11,609</u>
Operating expenses:				
Cost of sales (excludes amortization of certain acquired intangible assets presented below).....	705	605	2,066	1,771
Research and development.....	880	761	2,442	2,316
Selling, general and administrative.....	1,127	1,125	3,431	3,278
Amortization of certain acquired intangible assets.....	74	74	221	221
Other.....	110	854	195	873
Total operating expenses.....	<u>2,896</u>	<u>3,419</u>	<u>8,355</u>	<u>8,459</u>
Operating income.....	1,423	525	4,489	3,150
Interest expense, net.....	271	158	762	415
Interest and other income, net.....	<u>111</u>	<u>87</u>	<u>359</u>	<u>364</u>
Income before income taxes.....	1,263	454	4,086	3,099
Provision for income taxes.....	<u>156</u>	<u>-</u>	<u>529</u>	<u>350</u>
Net income.....	<u>\$ 1,107</u>	<u>\$ 454</u>	<u>\$ 3,557</u>	<u>\$ 2,749</u>
Earnings per share:				
Basic.....	\$ 1.44	\$ 0.50	\$ 4.57	\$ 2.98
Diluted.....	\$ 1.41	\$ 0.50	\$ 4.51	\$ 2.96
Average shares used in calculation of earnings per share:				
Basic.....	771	907	779	922
Diluted.....	783	914	789	930

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

	September 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash, cash equivalents and marketable securities.....	\$ 25,374	\$ 20,641
Trade receivables, net.....	2,696	2,896
Inventories.....	2,769	2,484
Other current assets.....	1,766	1,572
Total current assets.....	32,605	27,593
Property, plant and equipment, net.....	5,381	5,420
Intangible assets, net.....	3,680	2,584
Goodwill.....	12,589	11,750
Other assets.....	1,193	1,524
Total assets.....	<u>\$ 55,448</u>	<u>\$ 48,871</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 5,909	\$ 5,670
Current portion of long-term debt.....	2,458	84
Total current liabilities.....	8,367	5,754
Long-term debt.....	24,020	21,344
Other non-current liabilities.....	3,159	2,744
Stockholders' equity.....	19,902	19,029
Total liabilities and stockholders' equity.....	<u>\$ 55,448</u>	<u>\$ 48,871</u>
Shares outstanding.....	768	796

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Amgen Inc.
GAAP to "Adjusted" Reconciliations
(In millions)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
GAAP cost of sales	\$ 706	\$ 606	\$ 2,098	\$ 1,771
Adjustments to cost of sales:				
Incremental expense resulting from accelerating depreciation and/or accruing losses for facility operating leases as a result of our transaction with Boehringer Ingelheim involving our Fremont, California manufacturing facility	(21)	(10)	(42)	(64)
Acquisition-related expenses	(7)	-	(7)	(7)
Stock option expense (a)	(3)	(2)	(9)	(8)
Total adjustments to cost of sales	<u>(31)</u>	<u>(12)</u>	<u>(58)</u>	<u>(89)</u>
Adjusted cost of sales	<u>\$ 674</u>	<u>\$ 593</u>	<u>\$ 2,039</u>	<u>\$ 1,702</u>
GAAP research and development expenses	\$ 880	\$ 781	\$ 2,442	\$ 2,318
Adjustments to research and development expenses:				
Acquisition-related expenses	(14)	(2)	(34)	(27)
Certain charges pursuant to our continuing efforts to improve cost efficiencies in our operations	(12)	-	(12)	-
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
Stock option expense (a)	(5)	(8)	(17)	(27)
Total adjustments to research and development expenses	<u>(31)</u>	<u>2</u>	<u>(63)</u>	<u>(42)</u>
Adjusted research and development expenses	<u>\$ 849</u>	<u>\$ 783</u>	<u>\$ 2,379</u>	<u>\$ 2,274</u>
GAAP selling, general and administrative expenses	\$ 1,127	\$ 1,126	\$ 3,431	\$ 3,278
Adjustments to selling, general and administrative expenses:				
Acquisition-related expenses	(11)	(3)	(45)	(11)
Stock option expense (a)	(9)	(9)	(20)	(32)
Total adjustments to selling, general and administrative expenses	<u>(17)</u>	<u>(12)</u>	<u>(65)</u>	<u>(43)</u>
Adjusted selling, general and administrative expenses	<u>\$ 1,110</u>	<u>\$ 1,113</u>	<u>\$ 3,366</u>	<u>\$ 3,235</u>
GAAP operating expenses	\$ 2,886	\$ 3,419	\$ 8,356	\$ 8,459
Adjustments to operating expenses:				
Adjustments to cost of sales	(31)	(12)	(58)	(69)
Adjustments to research and development expenses	(31)	2	(63)	(42)
Adjustments to selling, general and administrative expenses	(17)	(12)	(65)	(43)
Non-cash amortization of product technology rights acquired in a prior year business combination	(74)	(74)	(221)	(221)
Certain charges pursuant to our continuing efforts to improve cost efficiencies in our operations	(36)	(88)	(106)	(79)
Write-off of a non-key contract asset acquired in a business combination	(19)	-	(19)	-
Expense resulting from changes in the estimated fair values of the contingent consideration obligations related to a prior year business combination	(2)	(8)	(5)	(9)
Expenses related to various legal proceedings	(53)	(790)	(85)	(785)
Total adjustments to operating expenses	<u>(263)</u>	<u>(950)</u>	<u>(602)</u>	<u>(1,248)</u>
Adjusted operating expenses	<u>\$ 2,623</u>	<u>\$ 2,469</u>	<u>\$ 7,753</u>	<u>\$ 7,211</u>
GAAP operating income	\$ 1,423	\$ 626	\$ 4,489	\$ 3,150
Adjustments to operating expenses	263	950	602	1,248
Adjusted operating income	<u>\$ 1,686</u>	<u>\$ 1,476</u>	<u>\$ 5,091</u>	<u>\$ 4,398</u>
GAAP other income (expense)	\$ (160)	\$ (71)	\$ (403)	\$ (51)
Non-cash interest expense associated with our convertible notes	36	33	104	109
Adjusted other income (expense)	<u>\$ (124)</u>	<u>\$ (38)</u>	<u>\$ (299)</u>	<u>\$ 58</u>
GAAP income before income taxes	\$ 1,263	\$ 484	\$ 4,088	\$ 3,099
Adjustments to income before income taxes:				
Adjustments to operating expenses	263	950	602	1,248
Non-cash interest expense associated with our convertible notes	36	33	104	109
Total adjustments to income before income taxes	<u>299</u>	<u>983</u>	<u>706</u>	<u>1,357</u>
Adjusted income before income taxes	<u>\$ 1,561</u>	<u>\$ 1,437</u>	<u>\$ 4,792</u>	<u>\$ 4,456</u>
GAAP provision for income taxes	\$ 156	\$ -	\$ 529	\$ 360
Adjustments to provision for income taxes:				
Income tax effect of the above adjustments (b)	94	150	232	275
Income tax benefit related to certain prior period charges excluded from "Adjusted" earnings	-	7	-	12
Total adjustments to provision for income taxes	<u>94</u>	<u>157</u>	<u>232</u>	<u>287</u>
Adjusted provision for income taxes	<u>\$ 250</u>	<u>\$ 157</u>	<u>\$ 761</u>	<u>\$ 637</u>
GAAP net income	\$ 1,107	\$ 454	\$ 3,557	\$ 2,749
Adjustments to income before income taxes, net of the tax effect of the above adjustments	204	833	474	1,082
Income tax benefit related to certain prior period charges excluded from "Adjusted" earnings	-	(7)	-	(12)
Adjusted net income	<u>\$ 1,311</u>	<u>\$ 1,280</u>	<u>\$ 4,031</u>	<u>\$ 3,819</u>

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Amgen Inc.
GAAP to "Adjusted" Reconciliations
(In millions, except per share data)
(Unaudited)

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, 2012		Three months ended September 30, 2011	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 1,107	\$ 1,311	\$ 454	\$ 1,280
Shares (Denominator):				
Weighted-average shares for basic EPS.....	771	771	907	907
Effect of dilutive securities.....	12	12 (*)	7	6 (*)
Weighted-average shares for diluted EPS.....	783	783	914	913
Diluted EPS	\$ 1.41	\$ 1.67	\$ 0.50	\$ 1.40
	Nine months ended September 30, 2012		Nine months ended September 30, 2011	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 3,557	\$ 4,031	\$ 2,749	\$ 3,819
Shares (Denominator):				
Weighted-average shares for basic EPS.....	779	779	922	922
Effect of dilutive securities.....	10	10 (*)	8	7 (*)
Weighted-average shares for diluted EPS.....	789	789	930	929
Diluted earnings per share	\$ 4.51	\$ 5.11	\$ 2.96	\$ 4.11

(*) Dilutive securities used to compute "Adjusted" diluted EPS for the three and nine months ended September 30, 2012 and 2011 were computed under the treasury stock method assuming that we do not expense stock options.

- (a) For the three and nine months ended September 30, 2012 and 2011, the total pre-tax expense for employee stock options was \$14 million and \$46 million, respectively and \$19 million and \$67 million, respectively.

"Adjusted" diluted EPS including the impact of stock option expense for the three and nine months ended September 30, 2012 and 2011 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
"Adjusted" diluted EPS, excluding stock option expense.....	\$ 1.67	\$ 1.40	\$ 5.11	\$ 4.11
Impact of stock option expense (net of tax).....	(0.01)	(0.01)	(0.04)	(0.05)
"Adjusted" diluted EPS, including stock option expense.....	\$ 1.66	\$ 1.39	\$ 5.07	\$ 4.06

- (b) The tax effect of 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 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 income before income taxes, for the three and nine months ended September 30, 2012 and 2011 were 31.5% and 32.9% and 15.3% and 20.3%, respectively.

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Amgen Inc.

Reconciliation of GAAP Debt Outstanding to "Adjusted" Debt Outstanding

(In millions)

(Unaudited)

	<u>GAAP</u>	<u>Adjustments for accounting standard (a)</u>	<u>"Adjusted"</u>
September 30, 2011.....	\$ 14,265	\$ 188	\$ 14,453
September 30, 2012.....	\$ 26,478	\$ 48	\$ 26,526

- (a) To exclude the impact of bifurcating the debt and equity components of our convertible notes as required by U.S. accounting standards for these securities commencing in 2009.

Reconciliation of Free Cash Flow

(In millions)

(Unaudited)

	<u>Three months ended September 30,</u>	
	<u>2012</u>	<u>2011</u>
Cash Flows from Operations.....	\$ 1,723	\$ 969
Capital Expenditures.....	(173)	(120)
Free Cash Flow.....	<u>\$ 1,550</u>	<u>\$ 849</u>

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Amgen Inc.
Reconciliation of GAAP EPS Guidance to "Adjusted"
EPS Guidance for the Year Ending December 31, 2012
(Unaudited)

	<u>2012</u>		
GAAP EPS (diluted) guidance.....	\$ 5.79	-	\$ 5.89
Known adjustments to arrive at "Adjusted" earnings*:			
Amortization of certain acquired intangible assets..... (a)		0.24	
Charges associated with cost savings initiatives..... (b)		0.13	
Acquisition-related expenses..... (c)		0.12	
Non-cash interest expense associated with our convertible notes..... (d)		0.11	
Stock option expense..... (e)		0.05	
Legal settlements..... (f)		0.06	
"Adjusted" EPS (diluted) guidance	\$ 6.50	-	\$ 6.60

* The known adjustments are presented net of their related aggregate tax impact of approximately \$0.36 per share.

(a) To exclude the non-cash amortization of product technology rights acquired in a prior year business combination.

(b) To exclude certain charges pursuant to our continuing efforts to improve cost efficiencies in our operations.

(c) To exclude acquisition-related expenses.

(d) To exclude the non-cash interest expense associated with our convertible notes.

(e) To exclude stock option expense.

(f) To exclude the expenses related to various legal proceedings.

Reconciliation of GAAP Tax Rate Guidance to "Adjusted"
Tax Rate Guidance for the Year Ending December 31, 2012
(Unaudited)

	<u>2012 with PR excise tax</u>			<u>2012 without PR excise tax</u>		
GAAP tax rate guidance.....	10.7%	-	11.9%	16.7%	-	17.9%
Tax rate effect of known adjustments discussed above.....	3.3%	-	3.1%	2.3%	-	2.1%
"Adjusted" tax rate guidance	14.0%	-	15.0%	19.0%	-	20.0%

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