

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Revenues:				
Product sales.....	\$ 4,200	\$ 3,893	\$ 8,101	\$ 7,511
Other revenues.....	277	66	424	154
Total revenues.....	<u>4,477</u>	<u>3,959</u>	<u>8,525</u>	<u>7,665</u>
Operating expenses:				
Cost of sales (excludes amortization of certain acquired intangible assets presented below).....	682	602	1,361	1,166
Research and development.....	826	819	1,562	1,555
Selling, general and administrative.....	1,228	1,130	2,304	2,153
Amortization of certain acquired intangible assets.....	73	73	147	147
Other.....	79	3	85	19
Total operating expenses.....	<u>2,888</u>	<u>2,627</u>	<u>5,459</u>	<u>5,040</u>
Operating income.....	1,589	1,332	3,066	2,625
Interest expense, net.....	256	122	491	257
Interest and other income, net.....	124	129	248	277
Income before income taxes.....	1,457	1,339	2,823	2,645
Provision for income taxes.....	191	169	373	350
Net income.....	<u>\$ 1,266</u>	<u>\$ 1,170</u>	<u>\$ 2,450</u>	<u>\$ 2,295</u>
Earnings per share:				
Basic.....	\$ 1.63	\$ 1.26	\$ 3.13	\$ 2.47
Diluted.....	\$ 1.61	\$ 1.25	\$ 3.09	\$ 2.45
Average shares used in calculation of earnings per share:				
Basic.....	776	927	783	930
Diluted.....	785	935	792	938

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Neulasta [®] - U.S.....	\$ 794	\$ 769	\$ 1,608	\$ 1,479
NEUPOGEN [®] - U.S.....	268	230	507	450
Neulasta [®] - ROW.....	221	246	446	472
NEUPOGEN [®] - ROW.....	64	81	130	157
Enbrel [®] - U.S.....	991	894	1,869	1,715
Enbrel [®] - Canada.....	67	62	127	116
Aranesp [®] - U.S.....	215	241	417	491
Aranesp [®] - ROW.....	321	344	637	674
EPOGEN [®] - U.S.....	525	543	971	1,078
Sensipar [®] - U.S.....	150	124	290	240
Mimpara [®] - ROW.....	82	75	161	146
Vectibix [®] - U.S.....	31	31	62	61
Vectibix [®] - ROW.....	59	50	118	95
Nplate [®] - U.S.....	50	40	104	77
Nplate [®] - ROW.....	36	35	72	63
XGEVA [®] - U.S.....	156	73	295	115
XGEVA [®] - ROW.....	23	-	37	-
Prolia [®] - U.S.....	75	30	129	47
Prolia [®] - ROW.....	45	14	79	24
Other - ROW.....	27	11	42	11
Total product sales.....	<u>\$ 4,200</u>	<u>\$ 3,893</u>	<u>\$ 8,101</u>	<u>\$ 7,511</u>
U.S.....	\$ 3,255	\$ 2,975	\$ 6,252	\$ 5,753
ROW.....	945	918	1,849	1,758
Total product sales.....	<u>\$ 4,200</u>	<u>\$ 3,893</u>	<u>\$ 8,101</u>	<u>\$ 7,511</u>

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

	June 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash, cash equivalents and marketable securities.....	\$ 22,475	\$ 20,641
Trade receivables, net.....	2,708	2,896
Inventories.....	2,592	2,484
Other current assets.....	1,787	1,572
Total current assets.....	<u>29,562</u>	<u>27,593</u>
Property, plant and equipment, net.....	5,437	5,420
Intangible assets, net.....	3,470	2,584
Goodwill.....	12,428	11,750
Other assets.....	1,329	1,524
Total assets.....	<u>\$ 52,226</u>	<u>\$ 48,871</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 5,616	\$ 5,670
Current portion of long-term debt.....	2,416	84
Total current liabilities.....	<u>8,032</u>	<u>5,754</u>
Long-term debt.....	21,962	21,344
Other non-current liabilities.....	2,993	2,744
Stockholders' equity.....	19,239	19,029
Total liabilities and stockholders' equity.....	<u>\$ 52,226</u>	<u>\$ 48,871</u>
Shares outstanding.....	769	796

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

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
GAAP cost of sales	\$ 682	\$ 602	\$ 1,361	\$ 1,166
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	(11)	(23)	(21)	(44)
Acquisition-related expenses	-	(7)	-	(7)
Stock option expense (a)	(3)	(3)	(6)	(6)
Total adjustments to cost of sales	<u>(14)</u>	<u>(33)</u>	<u>(27)</u>	<u>(57)</u>
Adjusted cost of sales	<u>\$ 668</u>	<u>\$ 569</u>	<u>\$ 1,334</u>	<u>\$ 1,109</u>
GAAP research and development expenses	\$ 826	\$ 819	\$ 1,562	\$ 1,555
Adjustments to research and development expenses:				
Acquisition-related expenses	(13)	(1)	(20)	(25)
Stock option expense (a)	(6)	(10)	(12)	(19)
Total adjustments to research and development expenses	<u>(19)</u>	<u>(11)</u>	<u>(32)</u>	<u>(44)</u>
Adjusted research and development expenses	<u>\$ 807</u>	<u>\$ 808</u>	<u>\$ 1,530</u>	<u>\$ 1,511</u>
GAAP selling, general and administrative expenses	\$ 1,228	\$ 1,130	\$ 2,304	\$ 2,153
Adjustments to selling, general and administrative expenses:				
Acquisition-related expenses	(22)	(6)	(34)	(8)
Stock option expense (a)	(7)	(13)	(14)	(23)
Total adjustments to selling, general and administrative expenses	<u>(29)</u>	<u>(19)</u>	<u>(48)</u>	<u>(31)</u>
Adjusted selling, general and administrative expenses	<u>\$ 1,199</u>	<u>\$ 1,111</u>	<u>\$ 2,256</u>	<u>\$ 2,122</u>
GAAP operating expenses	\$ 2,888	\$ 2,627	\$ 5,459	\$ 5,040
Adjustments to operating expenses:				
Adjustments to cost of sales	(14)	(33)	(27)	(57)
Adjustments to research and development expenses	(19)	(11)	(32)	(44)
Adjustments to selling, general and administrative expenses	(29)	(19)	(48)	(31)
Non-cash amortization of product technology rights acquired in a prior year business combination	(73)	(73)	(147)	(147)
Certain charges (or the reversal of certain previously over-accrued charges) pursuant to our continuing efforts to improve cost efficiencies in our operations	(69)	5	(70)	(11)
Expense resulting from changes in the estimated fair values of the contingent consideration obligations related to a prior year business combination	(1)	(3)	(3)	(3)
Expense related to certain legal proceedings	(9)	(5)	(12)	(5)
Total adjustments to operating expenses	<u>(214)</u>	<u>(139)</u>	<u>(339)</u>	<u>(298)</u>
Adjusted operating expenses	<u>\$ 2,674</u>	<u>\$ 2,488</u>	<u>\$ 5,120</u>	<u>\$ 4,742</u>
GAAP operating income	\$ 1,589	\$ 1,332	\$ 3,066	\$ 2,625
Adjustments to operating expenses	214	139	339	298
Adjusted operating income	<u>\$ 1,803</u>	<u>\$ 1,471</u>	<u>\$ 3,405</u>	<u>\$ 2,923</u>
GAAP income before income taxes	\$ 1,457	\$ 1,339	\$ 2,823	\$ 2,645
Adjustments to income before income taxes:				
Adjustments to operating expenses	214	139	339	298
Non-cash interest expense associated with our convertible notes	35	32	69	76
Total adjustments to income before income taxes	<u>249</u>	<u>171</u>	<u>408</u>	<u>374</u>
Adjusted income before income taxes	<u>\$ 1,706</u>	<u>\$ 1,510</u>	<u>\$ 3,231</u>	<u>\$ 3,019</u>
GAAP provision for income taxes	\$ 191	\$ 169	\$ 373	\$ 350
Adjustments to provision for income taxes:				
Income tax effect of the above adjustments (b)	82	60	138	125
Income tax benefit related to certain prior period charges excluded from "Adjusted" earnings	-	-	-	5
Total adjustments to provision for income taxes	<u>82</u>	<u>60</u>	<u>138</u>	<u>130</u>
Adjusted provision for income taxes	<u>\$ 273</u>	<u>\$ 229</u>	<u>\$ 511</u>	<u>\$ 480</u>
GAAP net income	\$ 1,266	\$ 1,170	\$ 2,450	\$ 2,295
Adjustments to income before income taxes, net of the tax effect of the above adjustments	167	111	270	249
Income tax benefit related to certain prior period charges excluded from "Adjusted" earnings	-	-	-	(5)
Adjusted net income	<u>\$ 1,433</u>	<u>\$ 1,281</u>	<u>\$ 2,720</u>	<u>\$ 2,539</u>

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 June 30, 2012		Three months ended June 30, 2011	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 1,266	\$ 1,433	\$ 1,170	\$ 1,281
Shares (Denominator):				
Weighted-average shares for basic EPS.....	776	776	927	927
Effect of dilutive securities.....	9	8 (*)	8	7 (*)
Weighted-average shares for diluted EPS.....	785	784	935	934
Diluted EPS	\$ 1.61	\$ 1.83	\$ 1.25	\$ 1.37
	Six months ended June 30, 2012		Six months ended June 30, 2011	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 2,450	\$ 2,720	\$ 2,295	\$ 2,539
Shares (Denominator):				
Weighted-average shares for basic EPS.....	783	783	930	930
Effect of dilutive securities.....	9	8 (*)	8	7 (*)
Weighted-average shares for diluted EPS.....	792	791	938	937
Diluted earnings per share	\$ 3.09	\$ 3.44	\$ 2.45	\$ 2.71

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

- (a) For the three and six months ended June 30, 2012 and 2011, the total pre-tax expense for employee stock options was \$16 million and \$32 million, respectively and \$26 million and \$48 million, respectively.

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

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
"Adjusted" diluted EPS, excluding stock option expense.....	\$ 1.83	\$ 1.37	\$ 3.44	\$ 2.71
Impact of stock option expense (net of tax).....	(0.01)	(0.02)	(0.03)	(0.04)
"Adjusted" diluted EPS, including stock option expense.....	\$ 1.82	\$ 1.35	\$ 3.41	\$ 2.67

- (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 six months ended June 30, 2012 and 2011 were 32.9% and 33.8% and 35.1% and 33.4%, respectively.

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>
June 30, 2011.....	\$ 13,930	\$ 221	\$ 14,151
June 30, 2012.....	\$ 24,378	\$ 84	\$ 24,462

- (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)

	Three months ended	
	June 30,	
	2012	2011
Cash Flows from Operations.....	\$ 2,375	\$ 1,536
Capital Expenditures.....	(172)	(123)
Free Cash Flow.....	<u>\$ 2,203</u>	<u>\$ 1,413</u>

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	\$ 5.60	-	\$ 5.76
Known adjustments to arrive at "Adjusted" earnings*:			
Amortization of certain acquired intangible assets..... (a)	0.24		
Non-cash interest expense associated with our convertible notes..... (b)	0.11		
Charges associated with cost savings initiatives..... (c)	0.10		
Acquisition-related expenses..... (d)	0.08		
Stock option expense..... (e)	0.06	-	0.05
Legal settlements..... (f)	0.01		
"Adjusted" EPS (diluted) guidance	<u>\$ 6.20</u>	-	<u>\$ 6.35</u>

* The known adjustments are presented net of their related aggregate tax impact of approximately \$0.31 to \$0.32 per share.

- (a) To exclude the non-cash amortization of product technology rights acquired in a prior year business combination.
- (b) To exclude the non-cash interest expense associated with our convertible notes.
- (c) To exclude certain charges pursuant to our continuing efforts to improve cost efficiencies in our operations.
- (d) To exclude acquisition-related expenses.
- (e) To exclude stock option expense.
- (f) To exclude the expenses related to certain 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	11.2%	-	12.3%	17.0%	-	18.1%
Tax rate effect of known adjustments discussed above.....	2.8%	-	2.7%	2.0%	-	1.9%
"Adjusted" tax rate guidance	<u>14.0%</u>	-	<u>15.0%</u>	<u>19.0%</u>	-	<u>20.0%</u>