

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 March 31, 2011			Three Months Ended March 31, 2010		
	GAAP	Adjustments	"Adjusted"	GAAP	Adjustments	"Adjusted"
Revenues:						
Product sales.....	\$ 3,618	\$ -	\$ 3,618	\$ 3,528	\$ -	\$ 3,528
Other revenues.....	88	-	88	64	-	64
Total revenues.....	<u>3,706</u>	<u>-</u>	<u>3,706</u>	<u>3,592</u>	<u>-</u>	<u>3,592</u>
Operating expenses:						
Cost of sales (excludes amortization of certain acquired intangible assets presented below).....	564	(3)	540	508	(4)	504
		(10)			(a)	
		(11)			(b)	
Research and development.....	736	(9)	703	646	(12)	617
		(17)			(c)	
		(7)			(d)	
Selling, general and administrative.....	1,023	(10)	1,011	884	(11)	873
		(2)			(e)	
Amortization of certain acquired intangible assets.....	74	(74)	-	74	(74)	-
Other.....	16	(16)	-	(1)	1	-
		(h)			(i)	
Total operating expenses.....	<u>2,413</u>	<u>(159)</u>	<u>2,254</u>	<u>2,111</u>	<u>(117)</u>	<u>1,994</u>
Operating income.....	1,293	159	1,452	1,481	117	1,598
Interest expense, net.....	135	(44)	91	145	(65)	80
Interest and other income, net.....	148	-	148	84	-	84
Income before income taxes.....	1,306	203	1,509	1,420	182	1,602
Provision for income taxes.....	181	65	251	253	67	320
		5	(l)		(k)	
Net income.....	<u>\$ 1,125</u>	<u>\$ 133</u>	<u>\$ 1,258</u>	<u>\$ 1,167</u>	<u>\$ 115</u>	<u>\$ 1,282</u>
Earnings per share:						
Basic.....	\$ 1.21		\$ 1.35	\$ 1.19		\$ 1.31
Diluted (n).....	\$ 1.20		\$ 1.34	\$ 1.18	(a)	\$ 1.30
Average shares used in calculation of earnings per share:						
Basic.....	933		933	982		982
Diluted (n).....	941		940	988	(a)	988

(a) - (n) 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)

- (a) To exclude stock option expense. For the three months ended March 31, 2011 and 2010, the total pre-tax expense for employee stock options was \$22 million and \$27 million, respectively.

"Adjusted" diluted EPS including the impact of stock option expense for the three months ended March 31, 2011 and 2010 were as follows:

	Three months ended	
	March 31,	
	2011	2010
"Adjusted" diluted EPS, excluding stock option expense.....	\$ 1.34	\$ 1.30
Impact of stock option expense (net of tax).....	(0.02)	(0.02)
"Adjusted" diluted EPS, including stock option expense.....	\$ 1.32	\$ 1.28

- (b) To exclude accelerated depreciation for manufacturing assets resulting from our transaction with Boehringer Ingelheim (BI) involving our manufacturing operations in Fremont, California (the BI Fremont transaction). The amount reflected above represents the incremental depreciation expense over the amount that would have otherwise been incurred absent the BI Fremont transaction. This transaction was entered into as part of our ongoing efforts to optimize our network of manufacturing facilities and improve costs efficiencies.
- (c) To exclude loss accruals for certain facility operating leases associated with the BI Fremont transaction that will not be used in our business.
- (d) To exclude the ongoing, non-cash amortization of the research and development (R&D) technology intangible assets with alternative future uses acquired with the acquisitions of Abgenix, Inc. (Abgenix) and Avidia, Inc. (Avidia).
- (e) To exclude the expense resulting from the cash settlement of unvested BioVex Group, Inc. (BioVex) employee stock options in connection with our acquisition of BioVex.
- (f) To exclude transaction costs associated with certain of our recently completed or announced business combinations.
- (g) To exclude the ongoing, non-cash amortization of acquired product technology rights, primarily ENBREL, related to the Immunex Corporation (Immunex) acquisition.
- (h) To exclude certain charges pursuant to our continuing efforts to improve cost efficiencies in our manufacturing operations.
- (i) To exclude the net benefit arising from legal settlements.
- (j) To exclude the incremental non-cash interest expense resulting from a change in the accounting for our convertible notes effective January 1, 2009.
- (k) To exclude the tax effect of the above adjustments. 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 stock option expense, depends on whether the amounts are deductible in the tax jurisdictions where the asset is located or the expenses are incurred and the applicable tax rate(s) in those jurisdictions. Due to these factors, the effective tax rates for the above adjustments to our GAAP results for the three months ended March 31, 2011 and 2010 were 32.0% and 36.8%, respectively.
- (l) To exclude the income tax benefit related principally to certain prior period charges excluded from "Adjusted" earnings.
- (m) The "Adjusted" tax rate for the three months ended March 31, 2011 was 16.6%, 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
	March 31, 2011
Adjusted tax rate with Puerto Rico excise tax.....	16.6%
Puerto Rico excise tax.....	4.3%
"Adjusted" tax rate excluding Puerto Rico excise tax.....	20.9%

- (n) 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		Three months ended	
	March 31, 2011		March 31, 2010	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 1,125	\$ 1,258	\$ 1,167	\$ 1,282
Shares (Denominator):				
Weighted-average shares for basic EPS.....	933	933	982	982
Effect of dilutive securities.....	8	7 (*)	6	6 (*)
Weighted-average shares for diluted EPS.....	941	940	988	988
Diluted EPS.....	\$ 1.20	\$ 1.34	\$ 1.18	\$ 1.30

- (*) Dilutive securities used to compute "Adjusted" diluted EPS for the three months ended March 31, 2011 and 2010 were computed under the treasury stock method assuming that we do not expense stock options.

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

	Three months ended	
	March 31,	
	2011	2010
Aranesp [®] - U.S.....	\$ 250	\$ 268
Aranesp [®] - International.....	330	359
EPOGEN [®] - U.S.....	535	623
Neulasta [®] - U.S.....	710	637
NEUPOGEN [®] - U.S.....	220	225
Neulasta [®] - International.....	226	226
NEUPOGEN [®] - International.....	76	91
Enbrel [®] - U.S.....	821	754
Enbrel [®] - Canada.....	54	50
Sensipar [®] - U.S.....	116	117
Mimpara [®] - International.....	71	62
Vectibix [®] - U.S.....	30	25
Vectibix [®] - International.....	45	42
Nplate [®] - U.S.....	37	28
Nplate [®] - International.....	28	21
Prolia [®] - U.S.....	17	-
Prolia [®] - International.....	10	-
XGEVA [™] - U.S.....	42	-
Total product sales.....	<u>\$ 3,618</u>	<u>\$ 3,528</u>
U.S.....	\$ 2,778	\$ 2,677
International.....	<u>840 (a)</u>	<u>851</u>
Total product sales.....	<u>\$ 3,618 (a)</u>	<u>\$ 3,528</u>

(a) The change in international product sales for the three months ended March 31, 2011 was negatively impacted by \$8 million due to foreign exchange (including \$4 million for Aranesp[®], \$3 million for Neulasta[®]/NEUPOGEN[®], \$1 million for Mimpara[®] and \$1 million for Nplate[®], partially offset by favorable impact of \$1 million for ENBREL).

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

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
Assets		
Current assets:		
Cash, cash equivalents and marketable securities.....	\$ 15,358	\$ 17,422
Trade receivables, net.....	2,517	2,335
Inventories.....	2,098	2,022
Other current assets.....	1,716	1,350
Total current assets.....	<u>21,689</u>	<u>23,129</u>
Property, plant and equipment, net.....	5,455	5,522
Intangible assets, net.....	2,808	2,230
Goodwill.....	11,504	11,334
Other assets.....	1,258	1,271
Total assets.....	<u>\$ 42,714</u>	<u>\$ 43,486</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 4,166	\$ 4,082
Current portion of convertible notes.....	83	2,488
Total current liabilities.....	<u>4,249</u>	<u>6,570</u>
Convertible notes.....	2,246	2,296
Other long-term debt.....	8,578	8,578
Other non-current liabilities.....	2,657	2,098
Stockholders' equity.....	24,984	23,944
Total liabilities and stockholders' equity.....	<u>\$ 42,714</u>	<u>\$ 43,486</u>
Shares outstanding.....	933	932

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

	March 31, 2011			March 31, 2010		
	<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.....	\$ 10,907	\$ 254 (a)	\$ 11,161	\$ 11,664	\$ 503 (a)	\$ 12,167

(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)

	March 31, 2011			March 31, 2010		
	<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.....	\$ 24,984	\$ (205) (a)	\$ 24,779	\$ 22,339	\$ (303) (a)	\$ 22,036

(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 April 20, 2011, the Company reaffirmed its "Adjusted" EPS guidance to be in the range of \$5.00 to \$5.20. The following table shows a reconciliation of GAAP EPS (diluted) guidance to "Adjusted" EPS (diluted) guidance.

	<u>2011</u>		
GAAP EPS (diluted) guidance	\$ 4.56	-	\$ 4.79
Known adjustments to arrive at "Adjusted" earnings*:			
Amortization of acquired intangible assets, product technology rights..... (a)			0.20
Incremental non-cash interest expense..... (b)			0.10
Stock option expense..... (c)	0.05	-	0.08
Charges associated with the BI Fremont transaction..... (d)			0.04
Amortization of acquired intangible assets, R&D technology rights..... (e)			0.01
Charges associated with cost efficiency improvement efforts in our manufacturing operations.. (f)			0.01
Merger-related expenses..... (g)			0.01
Tax benefit for prior period charges..... (h)			(0.01)
Other..... (i)			0.00
"Adjusted" EPS (diluted) guidance	<u>\$ 5.00</u>	<u>-</u>	<u>\$ 5.20</u>

* The known adjustments are presented net of their related aggregate tax impact of approximately \$0.24 to \$0.25 per share.

- (a) To exclude the ongoing, non-cash amortization of acquired product technology rights, primarily ENBREL, related to the Immunex acquisition.
- (b) To exclude the incremental non-cash interest expense resulting from a change in accounting in January 2009 related to our convertible debt.
- (c) To exclude stock option expense.
- (d) To exclude charges associated with the BI Fremont transaction involving our manufacturing operation in Fremont, California.
- (e) To exclude the ongoing, non-cash amortization of the R&D technology intangible assets acquired with the Abgenix and Avidia acquisitions.
- (f) To exclude certain charges pursuant to our continuing efforts to improve cost efficiencies in our manufacturing operations.
- (g) To exclude merger-related expenses associated with certain of our recently completed or announced business combinations.
- (h) To exclude the income tax benefit related principally to certain prior period charges excluded from "Adjusted" earnings.
- (i) The final amounts of any further adjustments related to the recently completed or announced business transactions have not been determined. As a result, no adjustments are included in the table above.

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

On April 20, 2011, the Company stated that it now expects its "Adjusted" tax rate guidance to be in the range of 15% to 16% after taking into account the impact of the foreign tax credit associated with the Puerto Rico (PR) excise tax. Excluding the PR excise tax, the Company still expects the "Adjusted" tax rate to be in the range of 19% to 20%.

	<u>2011 with PR excise tax</u>			<u>2011 without PR excise tax</u>		
GAAP tax rate guidance	12.4%	-	13.6%	17.0%	-	18.2%
Tax rate effect of known adjustments discussed above.....	<u>2.4%</u>	<u>-</u>	<u>2.6%</u>	<u>1.8%</u>	<u>-</u>	<u>2.0%</u>
"Adjusted" tax rate guidance	<u>15.0%</u>	<u>-</u>	<u>16.0%</u>	<u>19.0%</u>	<u>-</u>	<u>20.0%</u>