Amgen Outlines Strategy, Growth Objectives and Capital Allocation Plans

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Company Provides Guidance For 2015
Announces Quarterly Dividend Policy

NEW YORK, April 21, 2011 /PRNewswire via COMTEX/ --

Amgen (NASDAQ: AMGN) today outlined the Company's strategy, capital allocation plans and provided financial guidance for 2015 during a meeting with investors in New York.

Kevin Sharer, chairman & CEO opened the meeting by outlining key elements of the Company's strategy:

- Bring medicines to market that advance treatment of serious illness;
- Make significant and sustained investment in research and development (R&D) and participate in a wide range of therapeutic areas;
- Reliably manufacture products with the highest quality and lowest cost;
- Expand Amgen's operating footprint into emerging markets and Japan;
- Manage the Company's cost structure to grow earnings ahead of revenues;
- Use capital wisely, maintain a strong balance sheet, and return significant capital to shareholders; and
- Sustain a strong social architecture that attracts the best staff and enables them to perform at the highest levels.

The Company gave financial guidance for 2015:

- Revenues of $16-$18 billion;
- Adjusted net income of $6-$7 billion; and
- Adjusted earnings per share (EPS) of $7.25-$8.60, representing a compound annual growth rate of between 7 and 11 percent.

The Company's guidance was supported by plans to build the denosumab franchise (Prolia(R) and XGEVA(TM)) to $3-$4 billion of worldwide sales by 2015, an operating plan to drive margin improvement and a clear capital allocation plan.

As part of its capital allocation plan, the Company also announced that Amgen's Board of Directors has approved a dividend policy on its common stock. Amgen will declare its first quarterly dividend with its second quarter 2011 earnings results. Based on its current liquidity, anticipated cash flow from operations and expected capital needs, the Company is planning an annual payout ratio of 20 percent on adjusted net income. The Company stated that it plans to increase the dividend meaningfully over time.

The Board also authorized repurchases of up to an additional $5 billion in Amgen common stock. This is in addition to the approximately $2.2 billion remaining under its previous stock repurchase authorization. The Company said it intends to return an average of approximately 60 percent of adjusted net income in the form of dividends and stock repurchases to stockholders through 2015.

"Our prospects through 2015 are strong and our strategy is clear," said Sharer. "A dividend and future share repurchases are important elements of our commitment to return significant value to shareholders."

During the meeting, Robert A. Bradway, president and COO, provided an update on Amgen's strategy to deliver Prolia and XGEVA worldwide sales of $3-$4 billion by 2015, to sustain the core business and invest in international expansion.

Bradway discussed the outlook for the erythropoiesis stimulating agents (ESA) franchise including regulatory, reimbursement and competitive issues. Bradway also reviewed the significant profitability improvement expected for Enbrel(R) (etanercept) following the expiry in late 2013 of the profit sharing agreement with Pfizer Inc.

Bradway highlighted the solid foundation for Prolia in the United States (U.S.) as global launches continue to build momentum. Anticipated upcoming catalysts include expanded reimbursement in the U.S. and new launches internationally. Bradway also highlighted the strong uptake of XGEVA.

Bradway also discussed the Company's plans for continued international expansion resulting in over $1 billion in annual sales from existing products in new and emerging markets by 2015.

Roger M. Perlmutter, M.D., Ph.D., executive vice president for R&D, discussed Amgen's R&D investment, productivity and highlights of the Company's ongoing clinical programs.

Perlmutter highlighted ongoing studies that will support the growth of Prolia and XGEVA in osteoclast-mediated bone disease. Phase 3 oncology programs highlighted included: AMG 386 for ovarian cancer; AMG 479 for pancreatic cancer and OncoVex(GM-CSF) for melanoma and head and neck cancer. Perlmutter also announced the Company's intent to advance AMG 827 into Phase 3 for psoriasis and AMG 785 into Phase 3 for postmenopausal osteoporosis after successful results from Phase 2 studies. Perlmutter expects that these five programs will provide Phase 3 results by 2015.

Perlmutter discussed several earlier stage programs including the advancement of AMG 145 into Phase 2 for hypercholesterolemia and an update on

the status of omecamtiv mercarbil for heart failure. The Company also noted its disciplined approach in stopping certain programs including: AMG 221 in type 2 diabetes; AMG 853 in asthma; AMG 827 in rheumatoid arthritis; AMG 102 and dulanermin in oncology and Nplate(R) (romiplostim) in myelodysplastic syndrome.

"We will continue to focus on meaningful therapies for grievous illness," said Perlmutter. "Our 10-year record of accomplishment provides a strong basis for future growth."

Jonathan Peacock, Amgen executive vice president and CFO, outlined the Company's operating plan to deliver an approximately 6 percentage point improvement above 2010 in adjusted operating margins by 2015. This includes plans to deliver an approximately 2 percentage point improvement in adjusted cost of sales through improved product yields, better network utilization and efficiency gains in external purchasing practices. Adjusted selling, general and administrative (SG&A) expenses are also expected to improve by approximately 4 percent of sales. Peacock stated that the expiry of the ENBREL profit share agreement with Pfizer is expected to improve the Company's adjusted operating income by $800 million each year in 2014 and 2015 compared to 2010. The Company also plans to deliver cost savings in all areas of G&A and targeted areas of commercial spend. These benefits will be partially offset by increases in the U.S. Healthcare Reform Excise Fee and the profit share on Prolia international sales. Peacock also noted the Company's plan to invest between 18 and 20 percent of sales each year in R&D.

Peacock stated that the focus for future acquisition and licensing investments would be to advance the Company's strategy to bring innovative medicines to market and expand the company's operating footprint into emerging markets and Japan. Peacock also highlighted that the Company will be disciplined in ensuring that investments deliver both profitable growth and an attractive return on capital.

Amgen expects several growth drivers for its business beyond 2015 which include Prolia and XGEVA, several pipeline launches, expansion into emerging markets and Japan and investments to build a biosimilars portfolio.

A webcast of the Amgen Business Review meeting with presentation slides and video is available through www.amgen.com

Forward-Looking Non-GAAP Financial Measures

Management has presented herein certain forward-looking statements about the Company's future financial performance that include non-GAAP (or "as-adjusted") financial measures, including Adjusted Net Income, Adjusted Operating Margin, Adjusted Operating Income, Adjusted EPS, Adjusted Cost of Sales, Adjusted R&D and Adjusted SG&A expense. These non-GAAP financial measures are derived by excluding certain amounts, expenses or income, from the corresponding financial measures determined in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The Company believes that the presentation of these non-GAAP financial measures provides useful supplementary information to and facilitates additional analysis by investors. The Company uses these non-GAAP financial measures in connection with its own budgeting and financial planning. These non-GAAP financial measures are in addition to, not a substitute for, or superior to, measures of financial performance prepared in conformity with GAAP. The determination of the amounts that are excluded from these non-GAAP financial measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because management cannot reliably predict all of the necessary components of such GAAP measures. Historically, management has excluded the following items from certain of these non-GAAP financial measures, and such items may also be excluded in future periods and could be significant in amount:

- Expenses related to the acquisition of other businesses, including amortization and / or impairment of acquired intangible assets, integration costs, severance and retention costs and transaction costs;
- The impact of certain accounting changes, including accounting for stock options and certain convertible debt;
- Charges associated with restructuring and cost saving initiatives, including but not limited to asset impairments, accelerated depreciation, severance costs and lease abandonment charges;
- Asset impairment charges and inventory write-offs;
- Legal settlements or awards;
- The tax effect of the above items; and
- Non-routine settlements with tax authorities.

About Amgen

Amgen discovers, develops, manufactures, and delivers innovative human therapeutics. A biotechnology pioneer since 1980, Amgen was one of the first companies to realize the new science's promise by bringing safe, effective medicines from lab to manufacturing plant to patient. Amgen therapeutics have changed the practice of medicine, helping millions of people around the world in the fight against cancer, kidney disease, rheumatoid arthritis, bone disease, and other serious illnesses. With a deep and broad pipeline of potential new medicines, Amgen remains committed to advancing science to dramatically improve people's lives. To learn more about our pioneering science and vital medicines, visit www.amgen.com.

Forward Looking Statements

This release contains forward-looking statements that are based on management's current expectations and beliefs. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements regarding: Amgen's intention to initiate a quarterly common stock dividend; the planned repurchase of our common stock; the planned return of capital to stockholders; expected payout ratios; the anticipated revenues of our products, including Prolia and XGEVA; our business strategy and future capital position; estimates of dividend distributions, stock repurchases, revenues, operating margins, capital expenditures, cash or other financial metrics in any current or future period; 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 that could cause actual results to differ materially from those described, including those risks 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 subsequent reports on Form 10-Q and Form 8-K. Unless otherwise noted, Amgen is providing this information as of April 21, 2010 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 marketproducts worldwide, clinical and regulatory developments involving current and future products, sales growth of recently launched products, competition from other products 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 worldwide trends toward managed care and healthcare cost containment as well as legislation affecting pharmaceutical pricing and reimbursement. Our research, development, testing, pricing, marketing and other operations are subject to extensive regulation by 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 product 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 our ability to repurchase our common stock or the ability of the Amgen Inc. Board of Directors to declare a dividend.

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