



## Amgen Reports Fourth Quarter and Full Year 2001 Financial Results in Line With Guidance

January 23, 2002

THOUSAND OAKS, Calif.--Jan. 23, 2002--Amgen (Nasdaq: AMGN):

- Worldwide product sales increased 15 percent in the fourth quarter to \$974 million, with contribution from new products
- Earnings per share increased 25 percent in the fourth quarter to \$0.30 per share, excluding the impact of non-recurring charges of \$243 million or \$0.15 per share

Amgen (Nasdaq: AMGN) announced that worldwide product sales increased 15 percent to \$974 million in the fourth quarter of 2001, from \$847 million for the fourth quarter last year. Full year product sales were \$3.5 billion in 2001 compared with \$3.2 billion for the prior year, an increase of 10 percent.

Adjusted earnings per share for the fourth quarter of 2001 were \$0.30, compared with adjusted earnings per share of \$0.24 for the fourth quarter of 2000, an increase of 25 percent.

Adjusted earnings per share for the fourth quarter of 2001 excluded non-recurring charges of \$243 million, or \$0.15 per share. These costs consisted of \$203 million included in other operating expenses primarily related to the costs of terminating collaboration agreements with various third parties. The collaborations principally included the termination of agreements with Praecis Pharmaceuticals, Guilford Pharmaceuticals and certain academic institutions. The remaining cost of \$40 million is included in cost of sales and relates to the write-off of inventory.

The adjusted earnings per share for the fourth quarter of 2000 excluded non-recurring charges of \$55 million, or \$0.05 per share included in other operating expenses. These costs included the write-off of \$30 million for acquired in-process research and development related to the acquisition of Kinetix and a \$25 million contribution to the Amgen Foundation.

Including the non-recurring charges, reported earnings per share for the fourth quarter of 2001 were \$0.15, compared with \$0.19 per share for the fourth quarter of 2000.

For the full year of 2001, adjusted earnings per share were \$1.18 compared with adjusted earnings per share of \$1.05 for 2000, an increase of 12 percent. Adjusted earnings per share excluded the non-recurring charge of \$0.15 per share taken in the fourth quarter of 2001. Adjusted earnings per share for 2000 excluded the non-recurring charge of \$0.05 per share taken in the fourth quarter of 2000 which was substantially offset by a non-recurring benefit taken in the third quarter of 2000 from an award of certain costs and expenses related to spillover arbitration with Johnson & Johnson.

Reported earnings per share, which include these non-recurring charges, were \$1.03 in 2001 versus \$1.05 in 2000.

Operating expense, excluding non-recurring items, grew at a slower rate than sales in the fourth quarter. Cost of sales, excluding non-recurring items, was lower as a percentage of sales versus the same period last year, principally due to reduced royalty obligations. Research and Development expense of \$233 million was 7 percent lower than the prior year, which included higher licensing activities. Partially offsetting these items, Selling, General and Administrative expense grew faster than sales at 31 percent to \$326 million as support for new product launches was increased.

Also, in the fourth quarter, Amgen's share repurchases totaled \$250 million representing the buy-back of approximately 4.3 million shares. In 2001, Amgen repurchased \$738 million or approximately 12.7 million shares. Due to the expected positive impact of the pending Immunex (Nasdaq:IMNX) acquisition on the company's already strong cash flow, Amgen expects to be more aggressive with its share repurchase activities. The timing and amounts are, as always, subject to market conditions.

"Looking back on 2001, I'm pleased to say it was a year of significant accomplishment," said Kevin Sharer, Amgen's chairman and chief executive officer. "We began the year by receiving a favorable opinion which upheld our intellectual property rights for EPOGEN(R); we received approval for and launched two new products, Aranesp(TM) and Kineret(TM); and we made worldwide marketing applications for pegfilgrastim and Aranesp in oncology.

"In addition, we advanced KGF and calcimimetics into phase 3 clinical trials, and we ended the year with the announcement that we will acquire Immunex, which will add exceptional strength to our inflammation business and accelerate our growth," added Sharer.

### Product Sales Performance

Fourth quarter combined sales of EPOGEN(R) (Epoetin alfa), Amgen's anemia therapy for patients on dialysis, and Aranesp(TM) (darbepoetin alpha), its next-generation anemia treatment for patients on dialysis and not on dialysis, reached \$609 million, a 14 percent increase from \$533 million for EPOGEN(R)-only sales in the fourth quarter of 2000. Amgen believes that EPOGEN(R) sales growth was primarily driven by demand. Full year 2001 sales of EPOGEN(R) and Aranesp were \$2.2 billion versus \$2.0 billion in 2000, an increase of 10 percent. Worldwide Aranesp(TM) sales in the fourth quarter were \$37 million and \$42 million for the full year.

Worldwide sales of NEUPOGEN(R) (Filgrastim), used to decrease the incidence of infection during many types of cancer-related chemotherapy treatments, increased 13 percent to \$353 million in the fourth quarter of 2001, from \$311 million in the same period last year. Amgen believes that sales were primarily driven by demand. For the full year 2001, NEUPOGEN(R) sales were \$1.3 billion versus \$1.2 billion in the prior year, a 10 percent increase.

Kineret(TM) (anakinra) was launched in November for the treatment of signs and symptoms of rheumatoid arthritis. Sales of Kineret(TM) were \$12 million in the fourth quarter.

### Forward-looking Statements

This news release contains forward-looking statements that involve significant risks and uncertainties, including those discussed below and more fully described in the Securities and Exchange Commission reports filed by Amgen, including our most recent Form 10-Q. Amgen conducts research in the biotechnology/pharmaceutical field where 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.

Furthermore, our research, testing, pricing, marketing and other operations are subject to extensive regulation by domestic and foreign government regulatory authorities. In addition, sales of our products are affected by reimbursement policies imposed by third party payors, including governments, private insurance plans and managed care providers. These government regulations and reimbursement policies may affect the development, usage and pricing of our products.

In addition, 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.

Because forward-looking statements involve risks and uncertainties, actual results may differ materially from current results expected by Amgen. Amgen is providing this information as of January 23, 2002 and expressly disclaims any duty to update information contained in this press release.

Amgen is a global biotechnology company that discovers, develops, manufactures and markets important human therapeutics based on advances in cellular and molecular biology.

EDITOR'S NOTE: An electronic version of this news release may be accessed via our web site at [www.Amgen.com](http://www.Amgen.com). Visit the Corporate Center and click on Amgen News. Journalists and media representatives may sign up to receive all news releases electronically at time of announcement by filling out a short form in the Amgen News section of the web site.

Amgen Inc.  
Reconciliation of reported earnings per share  
to adjusted earnings per share for all periods presented  
(Unaudited)

	Three Months Ended		Year Ended	
	December 31, 2001	2000	December 31, 2001	2000
Reported earnings per share	\$0.15	\$0.19	\$1.03	\$1.05
Termination of collaboration agreements and inventory write-off	0.15	-	0.15	-
Acquired in-process research and development write-off and Amgen Foundation contribution	-	0.05	-	0.05
Legal award	-	-	-	(0.05)
Adjusted earnings per share	\$0.30	\$0.24	\$1.18	\$1.05

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

	Three Months Ended		Year Ended	
	December 31, 2001	2000	December 31, 2001	2000
Revenues:				
Product sales	\$ 974.1	\$ 846.8	\$ 3,511.0	\$ 3,202.2
Corporate partner revenues	70.0	59.0	252.0	246.2
Royalty income	80.2	45.6	252.7	181.0
<b>Total revenues</b>	<b>1,124.3</b>	<b>951.4</b>	<b>4,015.7</b>	<b>3,629.4</b>
Operating expenses:				
Cost of sales	152.5	111.5	443.0	408.4
Research and development	232.6	249.5	865.0	845.0
Selling, general and				

administrative	326.2	249.2	970.7	826.9
Loss (earnings) of affiliates, net	0.8	(2.2)	2.7	23.9
Other items, net	203.1	55.1	203.1	(18.8)
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Total operating expenses	915.2	663.1	2,484.5	2,085.4
Operating income	209.1	288.3	1,531.2	1,544.0
Other income (expense):				
Interest and other income	35.5	35.9	168.7	146.2
Interest expense, net	(3.4)	(4.2)	(13.6)	(15.9)
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Total other income	32.1	31.7	155.1	130.3
Income before income taxes	241.2	320.0	1,686.3	1,674.3
Provision for income taxes	78.2	109.2	566.6	535.8
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Net income	\$ 163.0	\$ 210.8	\$ 1,119.7	\$ 1,138.5
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Earnings per share:				
Basic earnings per share	\$ 0.16	\$ 0.20	\$ 1.07	\$ 1.11
Diluted earnings per share	\$ 0.15	\$ 0.19	\$ 1.03	\$ 1.05
Shares used in calculation of earnings per share:				
Basic earnings per share	1,047.0	1,034.9	1,045.5	1,029.6
Diluted earnings per share	1,080.9	1,083.5	1,084.4	1,084.7

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

	December 31, 2001	December 31, 2000
Assets		
Current assets:		
Cash and marketable securities	\$ 2,662.2	\$ 2,028.1
Trade receivables	497.2	389.2
Inventories	355.6	305.2
Other current assets	343.6	214.6
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Total current assets	3,858.6	2,937.1
Property, plant and equipment, net	1,946.1	1,781.5
Other non-current assets	638.4	681.0
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Total assets	\$ 6,443.1	\$ 5,399.6
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Liabilities and Stockholders' Equity		
Current liabilities	\$ 1,002.9	\$ 862.1
Non-current liabilities	223.0	223.0
Stockholders' equity	5,217.2	4,314.5
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Total liabilities and stockholders' equity	\$ 6,443.1	\$ 5,399.6
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Shares outstanding	1,045.8	1,037.4

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