



On an Adjusted Basis, Amgen Reports Fourth Quarter Earnings Per Share Increase 17 Percent to 35 Cents, Full Year 2002 Increase 18 Percent to \$1.39

January 23, 2003

**On a GAAP Basis, Fourth Quarter Earnings Per Share Were 34 Cents;
With a Full Year 2002 Loss Per Share of \$1.21 Primarily Due to the
\$3 Billion One-Time Write-Off of Acquired In-Process R&D**

Fourth Quarter Product Sales Increase 66 Percent

Aranesp(R) Sales Reach \$207 Million in the Fourth Quarter

Neulasta(TM) Sales Reach \$212 Million in the Fourth Quarter

ENBREL(R) Sales Achieve \$204 Million in the Fourth Quarter

THOUSAND OAKS, Calif., Jan. 23 -- Amgen (NASDAQ: AMGN) announced today that adjusted earnings per share for the fourth quarter of 2002 were 35 cents versus adjusted earnings per share of 30 cents for the fourth quarter of 2001, an increase of 17 percent. Full year adjusted earnings per share were \$1.39 versus an adjusted earnings per share of \$1.18 for the full year of 2001, an increase of 18 percent.

Adjusted earnings per share and adjusted net income for the three months and full year ended December 31, 2002 exclude certain expenses related to the acquisition of Immunex, and for both 2002 and 2001, exclude certain non-recurring items. These expenses and non-recurring items are itemized on the reconciliation tables below.

On a reported basis, calculated in accordance with U.S. generally accepted accounting principles (GAAP), Amgen reported earnings per share of \$0.34 in the fourth quarter of 2002 versus \$0.15 in the same quarter last year. For the full year, Amgen reported a loss of \$1.21 per share in 2002 primarily due to the \$3 billion one-time write-off of acquired in-process research and development related to the Immunex acquisition, versus reported earnings of \$1.03 per share in 2001.

Total product sales increased 66 percent in the fourth quarter, to \$1.6 billion from \$974 million in the fourth quarter of 2001 benefiting from the acquisition and the launch of new products. For the full year, total product sales were \$5.0 billion in 2002 versus \$3.5 billion in 2001, a 42 percent increase.

"Amgen's fourth quarter results show significant strength in all parts of our business" said Kevin Sharer, Amgen's Chairman and Chief Executive Officer. "We look forward to continued strong results in 2003 as we see the top line acceleration of recently approved and acquired products," Sharer said.

Product Sales Performance and Expenses

Combined sales of EPOGEN(R) (Epoetin alfa), Amgen's anemia therapy for patients on dialysis, and Aranesp(R) (darbepoetin alfa), its next-generation anemia treatment, for the fourth quarter increased 36 percent to \$827 million. EPOGEN(R) sales were \$620 million in the fourth quarter, an increase of 8 percent over EPOGEN(R) sales for the same quarter last year. The company believes that EPOGEN(R) sales were primarily driven by demand with wholesaler inventory increases contributing approximately 2 percentage points to the fourth quarter sales growth. Aranesp(R) sales were \$207 million in the fourth quarter driven principally by demand. For the full year, combined EPOGEN(R) and Aranesp(R) sales were \$2.7 billion, an increase of 24 percent over the prior year combined sales. Full year EPOGEN(R) sales were \$2.3 billion, an increase of 7 percent over EPOGEN(R) sales for 2001. Full year Aranesp(R) sales were \$416 million.

Combined sales of Neulasta(TM) (pegfilgrastim), Amgen's once-per-cycle product for decreasing infections associated with many types of cancer chemotherapy treatments and NEUPOGEN(R) (Filgrastim) used to decrease the incidence of infection were \$541 million in the fourth quarter, an increase of 53 percent over NEUPOGEN(R) only sales for the same period last year. The company believes that combined sales growth for Neulasta(TM) and NEUPOGEN(R) was primarily driven by demand. Wholesaler inventory changes contributed approximately 10 percentage points to sales growth in the quarter. Neulasta(TM) sales were \$212 million in the fourth quarter. NEUPOGEN(R) sales were \$329 million in the fourth quarter, down 7 percent versus NEUPOGEN(R) only sales for the same period last year. For the full year combined sales of Neulasta(TM) and NEUPOGEN(R) were \$1.8 billion, an increase of 37 percent over NEUPOGEN(R) only sales for 2001. For 2002, sales for Neulasta(TM) were \$464 million, which was launched in the second quarter. Full year NEUPOGEN(R) sales were \$1.4 billion, an increase of 2 percent versus 2001.

Sales of ENBREL(R) (etanercept), Amgen's inflammation biologic, in the fourth quarter were \$204 million. For the period of 2002 in which Amgen owned ENBREL(R), sales were \$362 million. If Amgen had owned ENBREL(R) for the full year of 2002, sales of ENBREL(R) would have been \$802 million.

Expenses on an adjusted basis were as follows:

Cost of sales increased to \$253 million from \$113 million during the fourth quarter of 2001 primarily due to increased sales and the shift in product mix principally due to ENBREL(R). Cost of sales as a percent of sales increased from 12 percent in the fourth quarter of 2001 to 16 percent in the fourth quarter of 2002, which principally reflects ENBREL(R)'s higher manufacturing costs and higher royalty expense as compared to Amgen's other products. For the full year cost of sales grew to \$690 million from \$404 million.

In the fourth quarter R&D expense was \$357 million versus \$233 million in the fourth quarter of 2001. This increase is principally the result of acquired

staff and the ramp up of clinical trials related to ENBREL(R) and other product candidates. For the full year R&D expense was \$1.1 billion compared to \$865 million in 2001.

SG&A expense was \$496 million in the fourth quarter of 2002 versus \$326 million for the same quarter of the prior year. This increase is principally a result of increased staff and related costs, additional spending in support of newly launched products and ENBREL(R), and the Wyeth profit share related to ENBREL(R). For the full year, SG&A expense was \$1.4 billion compared to \$971 million in 2001.

The company's stock repurchases totaled \$114 million in the fourth quarter, representing approximately 2.5 million shares. For the full year, Amgen repurchased \$1.4 billion representing approximately 28 million shares.

The company also indicated Wyeth has completed the sale of their approximately 98 million shares in Amgen. These shares were acquired as part of the acquisition of Immunex by Amgen in 2002.

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, 2003 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.

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Amgen Inc.

Condensed Consolidated Statements of Operations and

Reconciliation of "Adjusted" Earnings to GAAP Earnings

(in millions, except per share data)

(Unaudited)

Three Months Ended

December 31, 2002

	"Adjusted"	Adjustments	GAAP
Revenues:			
Product sales	\$1,621.6	\$--	\$1,621.6
Corporate partner revenues	52.1	--	52.1
Royalty income	92.4	--	92.4
Total revenues	1,766.1	--	1,766.1

Operating expenses:

Cost of sales	253.3	16.5 (1)	273.8
		4.0 (2)	
Research and development	357.4	9.6 (2)	367.0
Selling, general and administrative	496.0	4.9 (2)	500.9
Write off of acquired in-process R&D	--	--	--
Amortization of intangible assets	--	84.6 (3)	84.6
(Earnings) loss of affiliates, net	(5.8)	--	(5.8)
Other items, net	--	(151.2) (4)	(105.8)
		50.0 (5)	
		(4.6) (6)	
Total operating expenses	1,100.9	13.8	1,114.7
Operating income (loss)	665.2	(13.8)	651.4
Other income (expense):			
Interest and other income, net	31.3	--	31.3
Interest expense, net	(12.9)	--	(12.9)
Total other income	18.4	--	18.4
Income (loss) before income taxes	683.6	(13.8)	669.8
Provision for income taxes	211.9	1.5 (11)	213.4
Net income (loss)	\$471.7	\$(15.3)	\$456.4

Earnings per share:

Basic	\$0.37	\$0.35
Diluted (12)	\$0.35	\$0.34

Shares used in calculation

of earnings per share:

Basic	1,285.8	1,285.8
Diluted (12)	1,347.4	1,347.4

(1) - (12) See explanatory notes

Three Months Ended

December 31, 2001

"Adjusted"	Adjustments	GAAP
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Revenues:

Product sales	\$974.1	--	\$974.1
Corporate partner revenues	70.0	--	70.0
Royalty income	80.2	--	80.2
Total revenues	1,124.3		1,124.3

Operating expenses:

Cost of sales	113.0	39.5 (9)	152.5
Research and development	232.6	--	232.6
Selling, general and administrative	326.2	--	326.2
Write off of acquired in-process R&D	--	--	--
Amortization of Intangible assets	--	--	--

(Earnings) loss of			
affiliates, net	0.8	--	0.8
Other items, net	--	203.1 (10)	203.1
Total operating			
expenses	672.6	242.6	915.2
Operating income (loss)	451.7	(242.6)	209.1
Other income (expense):			
Interest and other			
income, net	35.5	--	35.5
Interest expense, net	(3.4)	--	(3.4)
Total other income	32.1	--	32.1
Income (loss) before			
income taxes	483.8	(242.6)	241.2
Provision for income taxes	163.5	(85.3) (11)	78.2
Net income (loss)	\$320.3	\$(157.3)	\$163.0
Earnings per share:			
Basic	\$0.31		\$0.16
Diluted (12)	\$0.30		\$0.15
Shares used in calculation			
of earnings per share:			
Basic	1,047.0		1,047.0
Diluted (12)	1,080.9		1,080.9

(1) - (12) See explanatory notes

Amgen Inc.

Condensed Consolidated Statements of Operations and
Reconciliation of "Adjusted" Earnings to GAAP Earnings
(in millions, except per share data)
(Unaudited)

	Year Ended		
	December 31, 2002		
	"Adjusted"	Adjustments	GAAP
Revenues:			
Product sales	\$4,991.2	\$--	\$4,991.2
Corporate partner revenues	200.3	--	200.3
Royalty income	331.5	--	331.5
Total revenues	5,523.0	--	5,523.0
Operating expenses:			
Cost of sales	689.5	38.7 (1)	735.7
		7.5 (2)	
Research and development	1,098.5	18.1 (2)	1,116.6
Selling, general and administrative	1,439.2	14.8 (2)	1,462.1
		8.1 (7)	
Write off of acquired in-process R&D	--	2,991.8 (8)	2,991.8
Amortization of intangible assets	--	155.2 (3)	155.2
(Earnings) loss of affiliates, net	(12.6)	--	(12.6)
Other items, net	--	(151.2) (4)	(141.3)

		50.0	(5)	
		(40.1)	(6)	
Total operating				
expenses	3,214.6	3,092.9		6,307.5
Operating income (loss)	2,308.4	(3,092.9)		(784.5)
Other Income (expense):				
Interest and other				
income, net	144.2	--		144.2
Interest expense, net	(44.2)	--		(44.2)
Total other income	100.0	--		100.0
Income (loss) before				
income taxes	2,408.4	(3,092.9)		(684.5)
Provision for income taxes	746.6	(39.2)	(11)	707.4
Net income (loss)	\$1,661.8	\$(3,053.7)		\$(1,391.9)
Earnings (loss) per share:				
Basic	\$1.44			\$(1.21)
Diluted (12)	\$1.39			\$(1.21)
Shares used in calculation				
of earnings (loss)				
per share:				
Basic	1,153.5			1,153.5
Diluted (12)	1,209.9			1,153.5

(1) - (12) See explanatory notes

Year Ended

December 31, 2001

	"Adjusted"	Adjustments	GAAP
Revenues:			
Product sales	\$3,511.0	\$--	\$3,511.0
Corporate partner revenues	252.0	--	252.0
Royalty income	252.7	--	252.7
Total revenues	4,015.7		4,015.7
Operating expenses:			
Cost of sales	403.5	39.5 (9)	443.0
Research and development	865.0	--	865.0
Selling, general and administrative	970.7	--	970.7
Write off of acquired in-process R&D	--	--	--
Amortization of intangible assets	--	--	--
(Earnings) loss of affiliates, net	2.7	--	2.7
Other items, net	--	203.1 (10)	203.1
Total operating expenses	2,241.9	242.6	2,484.5
Operating income (loss)	1,773.8	(242.6)	1,531.2

Other Income (expense):

Interest and other			
income, net	168.7	--	168.7
Interest expense, net	(13.6)	--	(13.6)
Total other income	155.1	--	155.1
Income (loss) before			
income taxes	1,928.9	(242.6)	1,686.3
Provision for income taxes	651.9	(85.3) (11)	566.6
Net income (loss)	\$1,277.0	\$(157.3)	\$1,119.7
Earnings (loss) per share:			
Basic	\$1.22		\$1.07
Diluted (12)	\$1.18		\$1.03
Shares used in calculation			
of earnings (loss)			
per share:			
Basic	1,045.5		1,045.5
Diluted (12)	1,084.4		1,084.4

(1) - (12) See explanatory notes

Amgen Inc.

Notes to Reconciliation of "Adjusted" Earnings to GAAP Earnings

(In millions)

(Unaudited)

(1) To include the non-cash expense related to valuing the inventory acquired from Immunex at fair value.

(2) To include the incremental compensation payable to certain Immunex employees principally under the Immunex short-term retention plan. The total estimated remaining costs of such retention benefits is approximately \$80 million, pre-tax, and will be incurred through the quarter ending June 30, 2004.

(3) To include the ongoing, non-cash amortization of acquired intangible assets, primarily ENBREL(R), related to the Immunex acquisition. The total

annual non-cash charge is currently estimated to be approximately \$340 million, pre-tax.

(4) To include a one-time benefit associated with a legal award related to an arbitration proceeding with Johnson & Johnson.

(5) To include a cash contribution to the Amgen foundation.

(6) To include the benefit related to the recovery of certain amounts previously expensed in the fourth quarter of 2001. This benefit is primarily in connection with terminating collaboration agreements with various third parties. (See Note 10)

(7) To include external, incremental consulting and systems integration costs directly associated with the integration of Immunex.

(8) To include the one-time, non-cash expense associated with writing-off the acquired in-process research and development related to the Immunex acquisition.

(9) To include a charge related to the write-off of certain inventory deemed not recoverable.

(10) To include a charge primarily related to costs of terminating collaboration agreements with various third parties, including Praecis and certain academic institutions.

(11) To reflect the tax effect of the above adjustments, except for the write-off of acquired in process R&D. (See Note 8)

Amgen Inc.

Notes to Reconciliation of "Adjusted" Earnings to GAAP Earnings

(In millions)

(Unaudited)

(12) The following table presents the computation for "Adjusted" and GAAP diluted earnings (loss) per share computed under the treasury stock and the "if-converted" methods:

	Three Months Ended		Year Ended	
	December 31, 2002		December 31, 2002	
	"Adjusted"	GAAP	"Adjusted"	GAAP
Income (Numerator):				
Net income (loss)				
for basic EPS	\$471.7	\$456.4	\$1,661.8	\$(1,391.9)
Adjustment for				
interest expense on				
Convertible Notes,				
net of tax	5.0	5.0	17.1	--
Income (loss) for				
diluted EPS, after				
assumed conversion				
of Convertible Notes	\$476.7	\$461.4	\$1,678.9	\$(1,391.9)

Shares (Denominator):

Weighted-average

shares for

basic EPS	1,285.8	1,285.8	1,153.5	1,153.5
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Effect of Dilutive

Securities	26.6	26.6	27.1	--
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Effect of Convertible

Notes, after assumed

conversion of

Convertible Notes	35.0	35.0	29.3	--
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Adjusted

weighted-average

shares for

diluted EPS	1,347.4	1,347.4	1,209.9	1,153.5
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Earnings (loss)

per share:

Diluted	\$0.35	\$0.34	\$1.39	\$(1.21)
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Amgen Inc.

Condensed Consolidated Balance Sheets

(In millions)

(Unaudited)

	December 31,	December 31,
	2002	2001

Assets

Current assets:

Cash and marketable securities	\$4,663.9	\$2,662.2
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Trade receivables, net	752.4	497.2
Inventories	544.9	355.6
Other current assets	442.3	343.6
Total current assets	6,403.5	3,858.6
Property, plant, and equipment, net	2,813.5	1,946.1
Intangible assets, net	4,801.9	34.1
Goodwill	9,871.1	97.2
Other assets	566.3	507.1
Total assets	\$24,456.3	\$6,443.1
Liabilities and Stockholders' Equity		
Current liabilities	\$1,529.2	\$1,002.9
Deferred tax liabilities	1,593.4	--
Long-term debt	3,047.7	223.0
Stockholders' equity	18,286.0	5,217.2
Total liabilities and stockholders' equity	\$24,456.3	\$6,443.1
Shares outstanding	1,289.1	1,045.8

Source: Amgen

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