

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenues:				
Product sales.....	\$ 5,225	\$ 4,949	\$ 10,099	\$ 9,305
Other revenues.....	145	231	304	396
Total revenues.....	<u>5,370</u>	<u>5,180</u>	<u>10,403</u>	<u>9,701</u>
Operating expenses:				
Cost of sales.....	1,089	1,081	2,122	2,171
Research and development.....	964	1,018	1,858	2,045
Selling, general and administrative.....	1,160	1,136	2,186	2,159
Other.....	81	43	139	60
Total operating expenses.....	<u>3,294</u>	<u>3,278</u>	<u>6,305</u>	<u>6,435</u>
Operating income.....	2,076	1,902	4,098	3,266
Interest expense, net.....	277	282	529	541
Interest and other income, net.....	<u>198</u>	<u>138</u>	<u>304</u>	<u>237</u>
Income before income taxes.....	1,997	1,758	3,873	2,962
Provision for income taxes.....	<u>344</u>	<u>211</u>	<u>597</u>	<u>342</u>
Net income.....	<u>\$ 1,653</u>	<u>\$ 1,547</u>	<u>\$ 3,276</u>	<u>\$ 2,620</u>
Earnings per share:				
Basic.....	\$ 2.18	\$ 2.04	\$ 4.30	\$ 3.46
Diluted.....	\$ 2.15	\$ 2.01	\$ 4.26	\$ 3.41
Weighted average shares used in calculation of earnings per share:				
Basic.....	760	759	761	758
Diluted.....	768	768	769	768

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

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and marketable securities.....	\$ 29,993	\$ 27,026
Trade receivables, net.....	2,779	2,546
Inventories.....	2,567	2,647
Other current assets.....	2,397	2,494
Total current assets.....	<u>37,736</u>	<u>34,713</u>
Property, plant and equipment, net.....	5,050	5,223
Intangible assets, net.....	11,988	12,693
Goodwill.....	14,723	14,788
Other assets.....	1,712	1,592
Total assets.....	<u>\$ 71,209</u>	<u>\$ 69,009</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 5,641	\$ 6,508
Current portion of long-term debt.....	1,250	500
Total current liabilities.....	<u>6,891</u>	<u>7,008</u>
Long-term debt.....	30,702	30,215
Long-term deferred tax liability.....	3,227	3,461
Other noncurrent liabilities.....	2,905	2,547
Stockholders' equity.....	<u>27,484</u>	<u>25,778</u>
Total liabilities and stockholders' equity.....	<u>\$ 71,209</u>	<u>\$ 69,009</u>
Shares outstanding.....	759	760

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2015	2014	2015	2014
<b>GAAP cost of sales</b>	\$ 1,089	\$ 1,081	\$ 2,122	\$ 2,171
<b>Adjustments to cost of sales:</b>				
Acquisition-related expenses (a)	(285)	(290)	(569)	(694)
Accelerated depreciation and other charges pursuant to our restructuring initiative	(15)	-	(29)	-
Stock option expense	-	(2)	-	(4)
<b>Total adjustments to cost of sales</b>	<u>(300)</u>	<u>(292)</u>	<u>(598)</u>	<u>(698)</u>
<b>Adjusted cost of sales</b>	<u>\$ 789</u>	<u>\$ 789</u>	<u>\$ 1,524</u>	<u>\$ 1,473</u>
<b>GAAP research and development expenses</b>	\$ 964	\$ 1,018	\$ 1,858	\$ 2,045
<b>Adjustments to research and development expenses:</b>				
Acquisition-related expenses (b)	(28)	(38)	(49)	(69)
Accelerated depreciation and other charges pursuant to our restructuring initiative	(18)	-	(35)	-
Stock option expense	-	(1)	-	(3)
<b>Total adjustments to research and development expenses</b>	<u>(46)</u>	<u>(39)</u>	<u>(84)</u>	<u>(72)</u>
<b>Adjusted research and development expenses</b>	<u>\$ 918</u>	<u>\$ 979</u>	<u>\$ 1,774</u>	<u>\$ 1,973</u>
<b>GAAP selling, general and administrative expenses</b>	\$ 1,160	\$ 1,136	\$ 2,186	\$ 2,159
<b>Adjustments to selling, general and administrative expenses:</b>				
Acquisition-related expenses (b)	(28)	(42)	(57)	(80)
Certain charges pursuant to our restructuring initiative	(20)	-	(24)	-
Stock option expense	-	(1)	-	(3)
<b>Total adjustments to selling, general and administrative expenses</b>	<u>(48)</u>	<u>(43)</u>	<u>(81)</u>	<u>(83)</u>
<b>Adjusted selling, general and administrative expenses</b>	<u>\$ 1,112</u>	<u>\$ 1,093</u>	<u>\$ 2,105</u>	<u>\$ 2,076</u>
<b>GAAP operating expenses</b>	\$ 3,294	\$ 3,278	\$ 6,305	\$ 6,435
<b>Adjustments to operating expenses:</b>				
Adjustments to cost of sales	(300)	(292)	(598)	(698)
Adjustments to research and development expenses	(46)	(39)	(84)	(72)
Adjustments to selling, general and administrative expenses	(48)	(43)	(81)	(83)
Certain charges pursuant to our restructuring and other cost savings initiatives (c)	(10)	(23)	(67)	(38)
(Expense)/Benefit related to various legal proceedings	(71)	-	(71)	3
Expense resulting from changes in the estimated fair values of the contingent consideration obligations related to prior year business combinations	-	(14)	(1)	(15)
Other (d)	-	(6)	-	(10)
<b>Total adjustments to operating expenses</b>	<u>(475)</u>	<u>(417)</u>	<u>(902)</u>	<u>(913)</u>
<b>Adjusted operating expenses</b>	<u>\$ 2,819</u>	<u>\$ 2,861</u>	<u>\$ 5,403</u>	<u>\$ 5,522</u>
<b>GAAP operating income</b>	\$ 2,076	\$ 1,902	\$ 4,098	\$ 3,266
Adjustments to operating expenses	475	417	902	913
<b>Adjusted operating income</b>	<u>\$ 2,551</u>	<u>\$ 2,319</u>	<u>\$ 5,000</u>	<u>\$ 4,179</u>
<b>GAAP income before income taxes</b>	\$ 1,997	\$ 1,758	\$ 3,873	\$ 2,962
Adjustments to operating expenses	475	417	902	913
<b>Adjusted income before income taxes</b>	<u>\$ 2,472</u>	<u>\$ 2,175</u>	<u>\$ 4,775</u>	<u>\$ 3,875</u>
<b>GAAP provision for income taxes</b>	\$ 344	\$ 211	\$ 597	\$ 342
<b>Adjustments to provision for income taxes:</b>				
Income tax effect of the above adjustments (e)	151	148	290	279
Other income tax adjustments (f)	-	(7)	-	(7)
<b>Total adjustments to provision for income taxes</b>	<u>151</u>	<u>141</u>	<u>290</u>	<u>272</u>
<b>Adjusted provision for income taxes</b>	<u>\$ 495</u>	<u>\$ 352</u>	<u>\$ 887</u>	<u>\$ 614</u>
<b>GAAP net income</b>	\$ 1,653	\$ 1,547	\$ 3,276	\$ 2,620
<b>Adjustments to net income:</b>				
Adjustments to income before income taxes, net of the income tax effect of the above adjustments	324	269	612	634
Other income tax adjustments (f)	-	7	-	7
<b>Total adjustments to net income</b>	<u>324</u>	<u>276</u>	<u>612</u>	<u>641</u>
<b>Adjusted net income</b>	<u>\$ 1,977</u>	<u>\$ 1,823</u>	<u>\$ 3,888</u>	<u>\$ 3,261</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.

	<b>Three months ended</b>		<b>Three months ended</b>	
	<b>June 30, 2015</b>		<b>June 30, 2014</b>	
	<b>GAAP</b>	<b>Adjusted</b>	<b>GAAP</b>	<b>Adjusted</b>
Net income.....	\$ 1,653	\$ 1,977	\$ 1,547	\$ 1,823
Weighted-average shares for diluted EPS.....	768	768	768	768
Diluted EPS.....	\$ 2.15	\$ 2.57	\$ 2.01	\$ 2.37

  

	<b>Six months ended</b>		<b>Six months ended</b>	
	<b>June 30, 2015</b>		<b>June 30, 2014</b>	
	<b>GAAP</b>	<b>Adjusted</b>	<b>GAAP</b>	<b>Adjusted</b>
Net income.....	\$ 3,276	\$ 3,888	\$ 2,620	\$ 3,261
Weighted-average shares for diluted EPS.....	769	769	768	768
Diluted EPS.....	\$ 4.26	\$ 5.06	\$ 3.41	\$ 4.25

- (a) The adjustments related primarily to non-cash amortization of intangible assets, including developed product technology rights, acquired in business combinations. For the six months ended June 30, 2014, the adjustments also included a \$99-million charge related to the termination of a supply contract with F. Hoffmann-La Roche Ltd. as a result of acquiring the licenses to filgrastim and pegfilgrastim in certain territories effective January 1, 2014.
- (b) The adjustments related primarily to non-cash amortization of intangible assets acquired in business combinations.
- (c) The adjustments related primarily to severance expenses.
- (d) The 2014 adjustments related primarily to various acquisition-related expenses.
- (e) 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 the majority of amortization of intangible assets, whereas the tax impact of other adjustments, including restructuring expense, depends on whether the amounts are deductible in the respective tax jurisdictions 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, 2015, were 31.8% and 32.2%, respectively, compared with 35.5% and 30.6% for the corresponding periods of the prior year.
- (f) The 2014 adjustments related to certain prior period items excluded from adjusted earnings.

**Amgen Inc.**  
**Reconciliations of Free Cash Flow**  
(In millions)  
(Unaudited)

	Three months ended	
	June 30,	
	2015	2014
Operating Cash Flow.....	\$ 2,814	\$ 2,227
Capital Expenditures.....	(133)	(173)
Free Cash Flow.....	<u>\$ 2,681</u>	<u>\$ 2,054</u>

**Reconciliation of GAAP EPS Guidance to Adjusted  
EPS Guidance for the Year Ending December 31, 2015**  
(Unaudited)

	2015		
<b>GAAP diluted EPS guidance</b> .....	\$ 8.06	-	\$ 8.35
<b>Known adjustments to arrive at Adjusted earnings*:</b>			
Acquisition-related expenses..... (a)		1.18	
Restructuring charges.....	0.19	-	0.23
Legal proceeding expense.....		0.08	
<b>Adjusted diluted EPS guidance</b> .....	<u>\$ 9.55</u>	-	<u>\$ 9.80</u>

\* The known adjustments are presented net of their related tax impact which amount to approximately \$0.70 to \$0.72 per share in the aggregate.

(a) The adjustments relate primarily to non-cash amortization of intangible assets acquired in prior year business combinations.

**Reconciliation of GAAP Tax Rate Guidance to Adjusted  
Tax Rate Guidance for the Year Ending December 31, 2015**  
(Unaudited)

	2015		
<b>GAAP tax rate guidance</b> .....	14%	-	16%
Tax rate effect of known adjustments discussed above.....	3%	-	4%
<b>Adjusted tax rate guidance</b> .....	<u>18%</u>	-	<u>19%</u>

**International Sales Performance Adjusted for Foreign Exchange**

Amgen has presented international sales performance excluding the impact of foreign exchange. This measure adjusts for the translation effect of changes in average foreign exchange rates between the current period and the corresponding period in the prior year. Amgen's calculation to adjust for the impact of foreign exchange results in prior period weighted-average, foreign exchange rates being applied to current period product sales. Amgen believes that excluding the impact of foreign exchange enhances an investor's overall understanding of the financial performance and prospects for the future of Amgen's core business activities by facilitating comparisons of results of core business operations among current, past and future periods.