Q1 ’19 EARNINGS CALL

APRIL 30, 2019

AMGEN®

SAFE HARBOR STATEMENT

This presentation contains forward-looking statements that are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements about estimates of revenues, operating margins, capital expenditures, cash, other financial metrics, 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, including those 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 any subsequent periodic reports on Form 10-Q and current reports on Form 8-K. Please refer to Amgen's most recent Forms 10-K, 10-Q and 8-K for additional information on the uncertainties and risk factors related to our business. Unless otherwise noted, Amgen is providing this information as of April 30, 2019 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. Our results may be affected by our ability to successfully market both new and existing products domestically and internationally, clinical and regulatory developments involving current and future products, sales growth of recently launched products, competition from other products including biosimilars, difficulties or delays in manufacturing our products and global economic conditions. In addition, sales of our products are affected by pricing pressure, political and public scrutiny and 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 domestic and international trends toward managed care and healthcare cost containment. Furthermore, our research, testing, pricing, marketing and other operations are subject to extensive regulation by domestic and foreign government regulatory authorities. We or others could identify safety, side effects or manufacturing problems with our products, including our devices, after they are on the market. Our business may be impacted by government investigations, litigation and product liability claims. In addition, our business may be impacted by the adoption of new tax legislation or exposure to additional tax liabilities. 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, or we may fail to prevail in present and future intellectual property litigation. We perform a substantial amount of our commercial manufacturing activities at a few key facilities, including in Puerto Rico, and also depend on third parties for a portion of our manufacturing activities, and limits on supply may constrain sales of certain of our current products and product candidate development. We rely on collaborations with third parties for the development of some of our product candidates and for the commercialization and sales of some of our commercial products. In addition, we compete with other companies with respect to many of our marketed products as well as for the discovery and development of new products. Discovery or identification of new product candidates or development of new indications for existing products cannot be guaranteed and movement from concept to product is uncertain; consequently, there can be no guarantee that any particular product candidate or development of a new indication for an existing product 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. Certain of our distributors, customers and payers have substantial purchasing leverage in their dealings with us. The discovery of significant problems with a product similar to one of our products that implicate an entire class of products could have a material adverse effect on sales of the affected products and on our business and results of operations. Our efforts to acquire other companies or products and to integrate the operations of companies we have acquired may not be successful. A breakdown, cyberattack or information security breach could compromise the confidentiality, integrity and availability of our systems and our data. Our stock price is volatile and may be affected by a number of events. Our business performance could affect or limit the ability of our Board of Directors to declare a dividend or our ability to pay a dividend or repurchase our common stock. We may not be able to access the capital and credit markets on terms that are favorable to us, or at all.

This presentation includes GAAP and non-GAAP financial measures. In accordance with the requirements of SEC Regulation G, reconciliations between these two measures, if these slides are in hard copy, accompany the hard copy presentation or, if these slides are delivered electronically, are available on the Company's website at www.amgen.com within the Investors section.

AGENDA

Introduction	Arvind Sood
Opening Remarks	Bob Bradway
Q1 ’19 Business Results	David Meline
Global Commercial Review	Murdo Gordon
R&D Review	David Reese
Q&A	All

AMGEN®

INVESTING FOR LONG-TERM GROWTH

- **We have a strong track record of execution and are prepared to compete effectively against new competition in an evolving healthcare environment**
- **We are delivering volume-driven growth and effectively executing lifecycle management strategies**
- **Our new launches are addressing significant unmet need and will drive long-term volume growth**
- **We continue to make significant investments in Research and Development to advance a pipeline of differentiated, first-in-class programs**
- **We are focused on delivering long-term growth for our shareholders**

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Q1 ’19 BUSINESS RESULTS

DAVID MELINE
EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER

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NON-GAAP EPS IS UP 3% IN Q1 2019

$ Millions, Except Non-GAAP EPS

Item	Q1 ’19	Q1 ’18	B/(W) %
Revenue	$5,557	$5,554	0%
Product Sales	5,286	5,343	(1)%
Other Revenues	271	211	
Non-GAAP Operating Expenses	2,787	2,516	(11)%
Cost of Sales *% of product sales*	779 *14.7%*	678 *12.7%*	
R&D *% of product sales*	859 *16.3%*	739 *13.8%*	
SG&A *% of product sales*	1,149 *21.7%*	1,099 *20.6%*	
Non-GAAP Operating Income *% of product sales*	2,770 *52.4%*	3,038 *56.9%*	(9)%
Other Income/(Expense)	(158)	(182)	
Non-GAAP Net Income	$2,230	$2,466	(10)%
Non-GAAP EPS	$3.56	$3.47	3%
Average Shares (millions)	626	711	12%
Non-GAAP Tax Rate	14.6%	13.7%	(0.9) pts

All income statement items for Q1 ’19 and/or Q1 ’18, except revenue and average shares, are non-GAAP financial measures—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section

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STRONG BALANCE SHEET WITH FREE CASH FLOW OF $1.7B IN Q1 2019

$ Billions

Cash Flow Data	Q1 ’19	Q1 ’18
Capital Expenditures	$0.1	$0.2
Free Cash Flow*	1.7	2.6
Share Repurchase	3.0	10.8
Dividends Paid	0.9	1.0
Balance Sheet Data	**Q1 ’19**	**Q1 ’18**
Cash and Investments	26.3	32.2
Debt Outstanding	33.0	35.5

***Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section**

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2019 GUIDANCE

	Updated Guidance	Previous Guidance
Revenue	$22.0B–$22.9B	$21.8B–$22.9B
Non-GAAP EPS*	$13.25–$14.30	$13.10–$14.30
Non-GAAP Tax Rate*	14.0%–15.0%	14.0%–15.0%
Capital Expenditures	~ $700M	~ $700M

***Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, or amounts pertain to previously issued financial guidance, see reconciliations available at: www.amgen.com within the Investors section**

GLOBAL COMMERCIAL REVIEW

MURDO GORDON
EXECUTIVE VICE PRESIDENT,
GLOBAL COMMERCIAL OPERATIONS

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Q1 ’19 GLOBAL COMMERCIAL REVIEW

$ Millions, Net Sales	Q1 ’19			Q1 ’18	YoY △
	U.S.	ROW	Total	Total	Total
Repatha®	$83	$58	$141	$123	15%
Prolia®	390	202	592	494	20%
Aimovig®	59	–	59	–	NM
Parsabiv®	109	17	126	41	207%
KYPROLIS®	154	91	245	222	10%
XGEVA®	356	115	471	445	6%
Vectibix®	78	92	170	169	1%
Nplate®	114	75	189	179	6%
BLINCYTO®	40	29	69	49	41%
Enbrel®	1,106	45	1,151	1,105	4%
Neulasta®	893	128	1,021	1,155	(12%)
NEUPOGEN®	50	23	73	103	(29%)
EPOGEN®	219	–	219	244	(10%)
Aranesp®	182	232	414	454	(9%)
Sensipar®/Mimpara®	135	78	213	497	(57%)
Biosimilars*	–	55	55	–	NM
Other**	23	55	78	63	24%
Total Product Sales	$3,991	$1,295	$5,286	$5,343	(1%)
Total Revenues			$5,557	$5,554	0%

NM = not meaningful

*Biosimilars includes KANJINTI™ and AMGEVITA™; KANJINTI™ trade name provisionally approved by the U.S. Food and Drug Administration

**Other includes MN Pharma, Bergamo, EVENITY™, Corlanor® and IMLYGIC®

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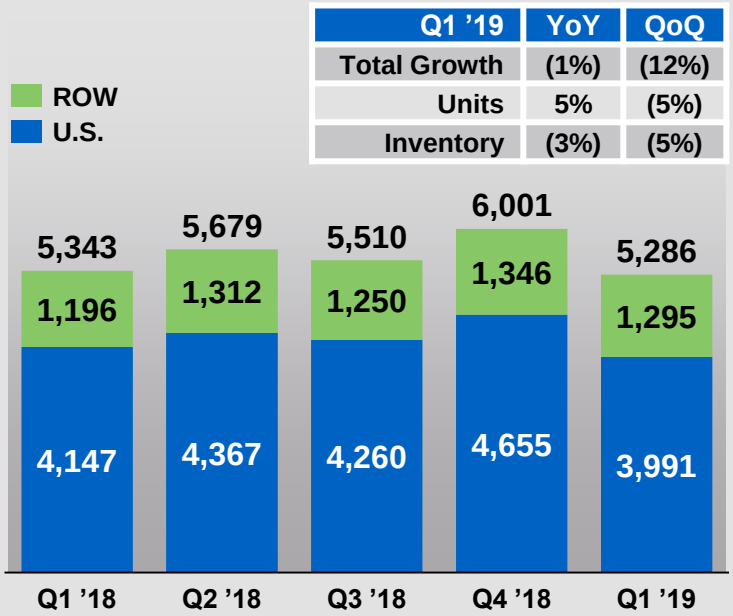
Q1 ’19 PRODUCT SALES

$ Millions, Net Sales



	Q1 ’19	YoY	QoQ
Total Growth		(1%)	(12%)
Units		5%	(5%)
Inventory		(3%)	(5%)

Q1 Highlights

- Newer products delivering volume-driven growth
- International sales grew 12%, excluding the impact of foreign exchange,* driven by 15% volume growth
- Executing lifecycle management strategies with mature products

*Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section
Note: Inventory represents wholesaler and, based on prescription data for Enbrel®, end-user inventories

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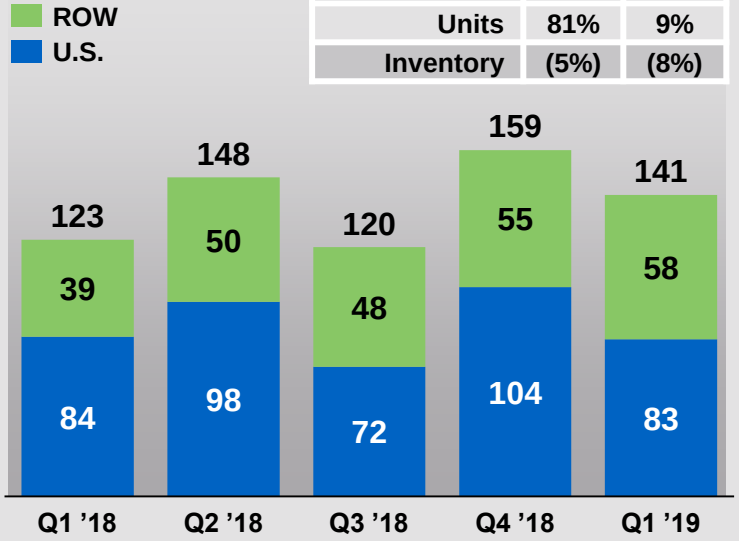
Q1 ’19 REPATHA® SALES GREW 15% YOY

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		15%	(11%)
Units		81%	9%
Inventory		(5%)	(8%)



Highlights

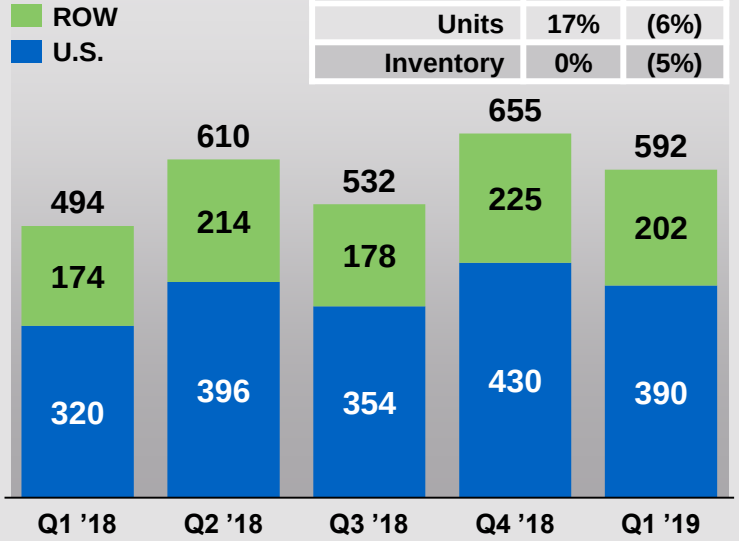
- 90% volume growth in U.S.
- YoY double-digit growth driven primarily by unit volume, offset substantially by net selling price*
- Low list price Repatha®:
  - Improves affordability for Part D patients
  - Currently available to ~ 60% of Medicare patients
  - Next step is to expand availability of a fixed copay for a majority of Part D patients
- Blended U.S. net price declined and is impacting sales in the near term; we expect unit volume and sales growth over the long term

***Net selling price represents the impact of list price changes as well as contracting and access changes**
Note: Inventory represents wholesaler inventories

Q1 ’19 PROLIA® SALES GREW 20% YOY

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		20%	(10%)
Units		17%	(6%)
Inventory		0%	(5%)



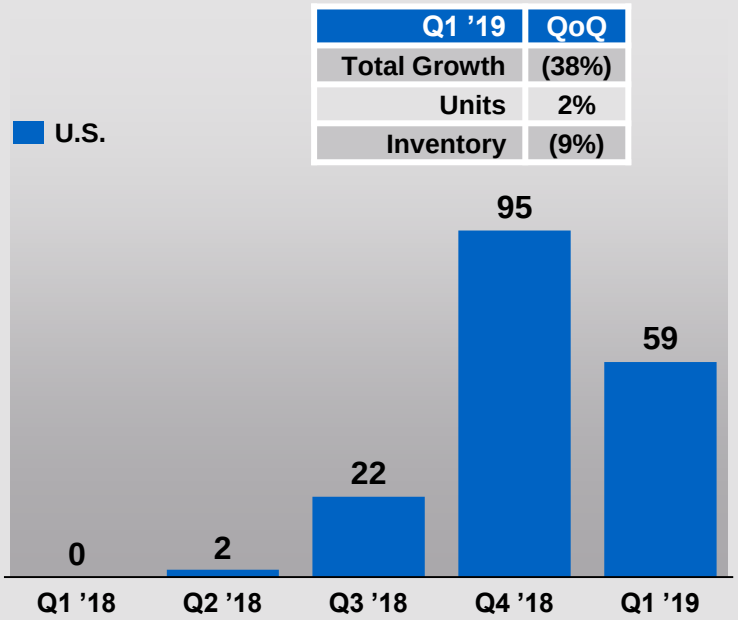
Highlights

- Strong YoY performance with double-digit unit volume growth
- Based on seasonal sales patterns, Q2 and Q4 are the strongest quarters
- Market penetration of addressable patient population in mid-20 percent range

Note: Inventory represents wholesaler inventories

AIMOVIG® IS THE MARKET LEADER

$ Millions, Net Sales



Highlights

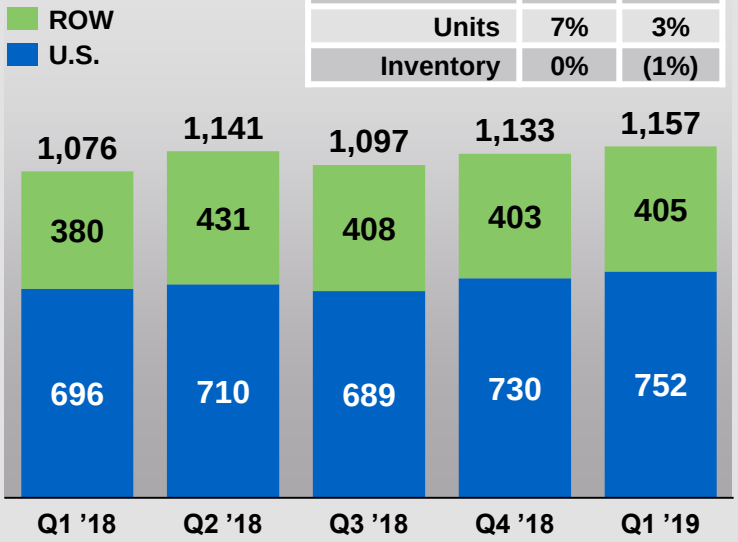
- Significant unmet need remains in migraine patients
- Aimovig® is the segment leader with 40% NBRx share and 60% TRx share exiting Q1
- Segment grew 26% versus Q4 ’18
- Paid prescriptions increased to ~ 60%
- Commercial coverage currently at ~ 70%
- Recently launched single 140 mg/mL monthly auto-injector
- Q4 ’18 sales benefited from $20M prior period accounting estimates

Note: Inventory represents wholesaler inventories
Aimovig® is developed in collaboration with Novartis; NBRx = New-to-Brand prescriptions; TRx = Total prescriptions

Q1 ’19 HEMATOLOGY/ONCOLOGY* SALES GREW 8% YOY

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		8%	2%
Units		7%	3%
Inventory		0%	(1%)



Highlights

- **Sales totaled $1.2 billion**
- **YoY growth driven by unit volume**

***Includes Vectibix®, Nplate®, XGEVA®, KYPROLIS®, BLINCYTO® and IMLYGIC®**
Note: Inventory represents wholesaler inventories

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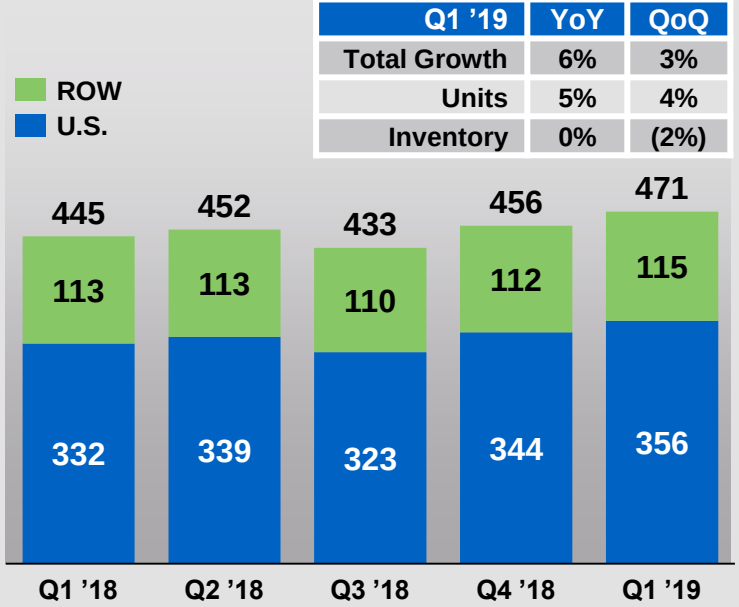
XGEVA® (denosumab)

Q1 ’19 XGEVA® SALES GREW 6% YOY

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		6%	3%
Units		5%	4%
Inventory		0%	(2%)



Highlights

- YoY growth driven primarily from unit volume growth
- ~ 60% share in the U.S.
- Received preferred status in the revised National Comprehensive Cancer Network Guidelines over zoledronic acid in castration-resistant prostate cancer

Note: Inventory represents wholesaler inventories

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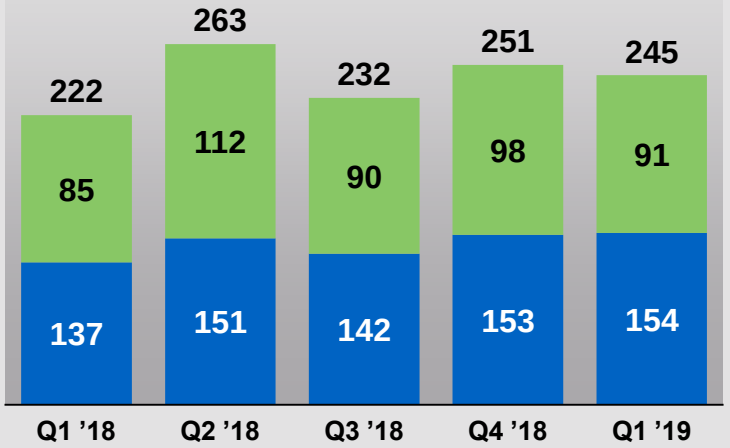
Q1 ’19 KYPROLIS® SALES GREW 10% YOY

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		10%	(2%)
Units		10%	(2%)
Inventory		(1%)	(1%)



Highlights

- **Strong unit growth YoY driven primarily by growth in key markets including the U.S., which had 12% growth**
- **Increased adoption of the once-weekly dose approaching ~ 20% share of KYPROLIS® in the U.S.**

Note: Inventory represents wholesaler inventories

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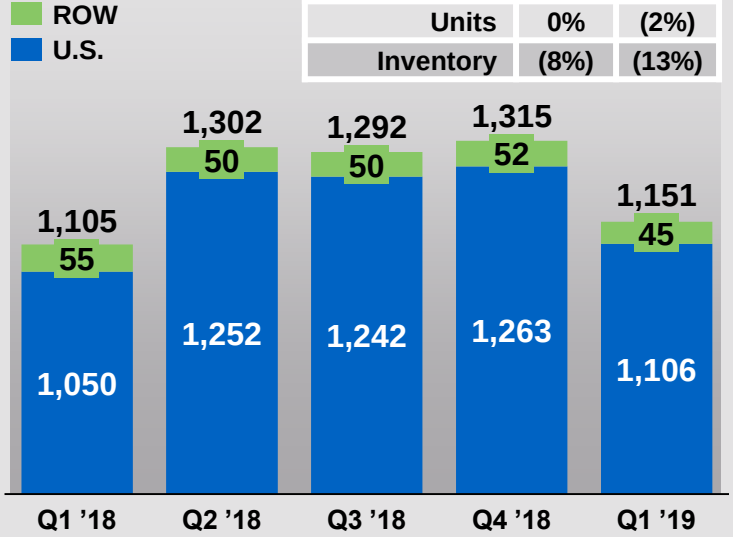
Q1 ’19 ENBREL® SALES GREW 4% YOY

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		4%	(12%)
Units		0%	(2%)
Inventory		(8%)	(13%)



Highlights

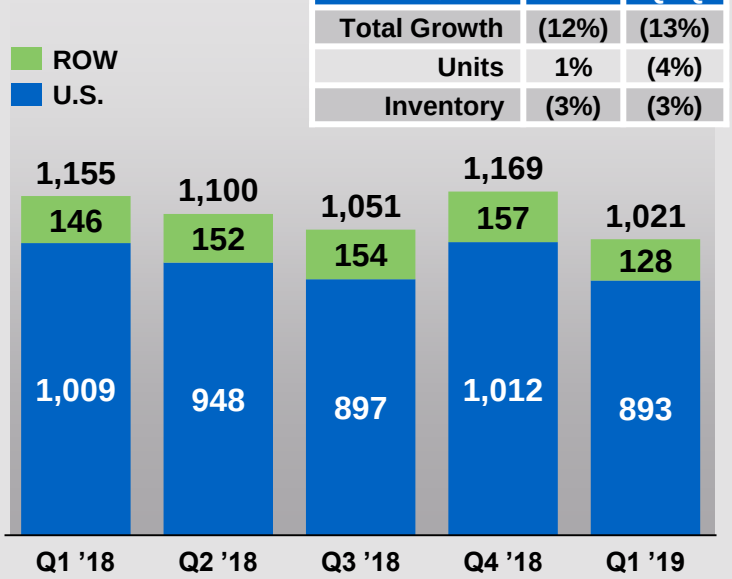
- Segment growth accelerated in Rheumatology
- Volume share trends continued
- Recognized limited benefit from net selling price
- Q1 sales benefited from prior period changes in accounting estimates, offset partially by unfavorable inventory changes

Note: Inventory represents wholesaler and, based on prescription data, end-user inventories

Q1 ’19 NEULASTA® SALES DECREASED 12% YOY

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		(12%)	(13%)
Units		1%	(4%)
Inventory		(3%)	(3%)



Highlights

- YoY sales decrease driven by lower net selling price,* offset partially by $98M purchase from the U.S. Biomedical Advanced Research and Development Authority
- Exited Q1 with ~ 90% share of the long-acting segment, with Onpro® holding close to 60% share of segment
- Additional competitors could emerge in 2019 globally

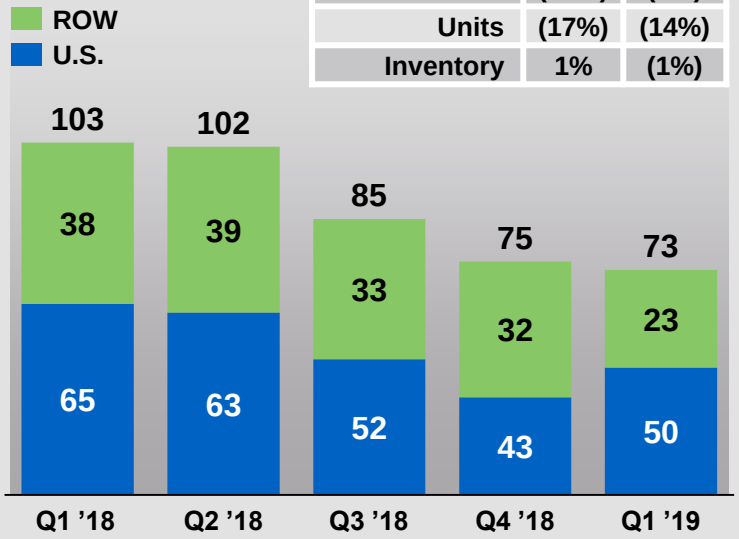
***Net selling price represents the impact of list price changes as well as contracting and access changes**
Note: Inventory represents wholesaler inventories

Q1 ’19 NEUPOGEN® SALES DECLINED 29% YOY

NEUPOGEN® (FILGRASTIM)

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		(29%)	(3%)
Units		(17%)	(14%)
Inventory		1%	(1%)



Highlights

- Exited Q1 with ~ 30% unit share of short-acting segment in the U.S.
- Sequentially, U.S. Q1 results benefited from $7M of accounting adjustments

Note: Inventory represents wholesaler inventories

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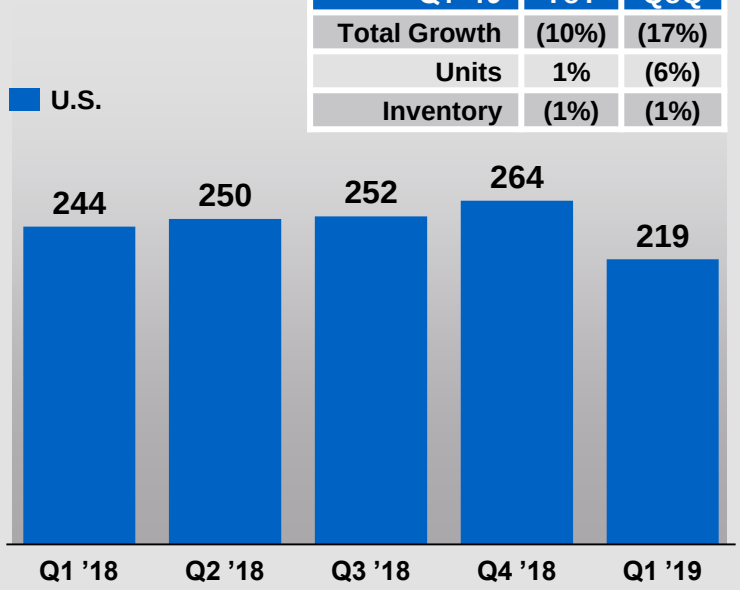
Q1 ’19 EPOGEN® SALES DECLINED 10% YOY

EPOGEN (EPOETIN ALFA) RECOMBINANT

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		(10%)	(17%)
Units		1%	(6%)
Inventory		(1%)	(1%)



Highlights

- YoY sales decline primarily due to lower net selling price,* offset partially by ~ $20M large end-customer purchases
- Net selling price* will continue to decline in 2019 due to extended supply agreement with DaVita

*Net selling price represents the impact of list price changes as well as contracting and access changes

Note: Inventory represents wholesaler inventories

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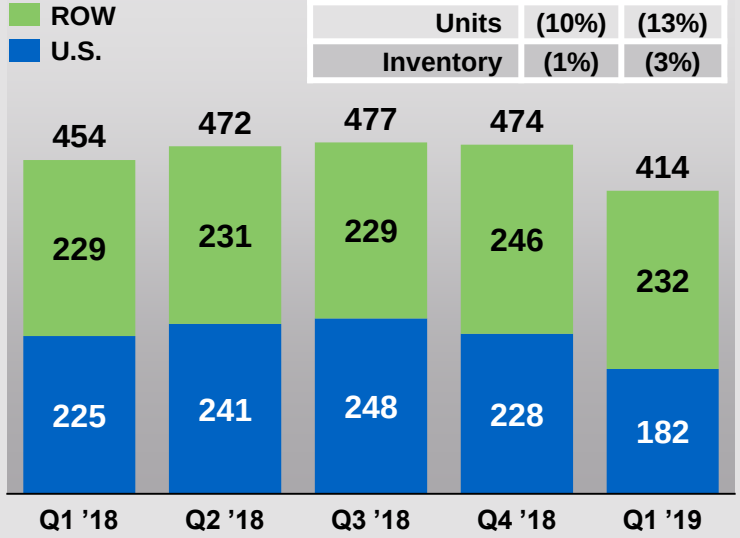
Q1 ’19 ARANESP® SALES DECLINED 9% YOY

Aranesp® (darbepoetin alfa)

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		(9%)	(13%)
Units		(10%)	(13%)
Inventory		(1%)	(3%)



Highlights

- YoY decline driven by the impact of competition on unit demand
- Expect sales to decline at a faster rate in 2019 versus 2018 due to competition

Note: Inventory represents wholesaler inventories

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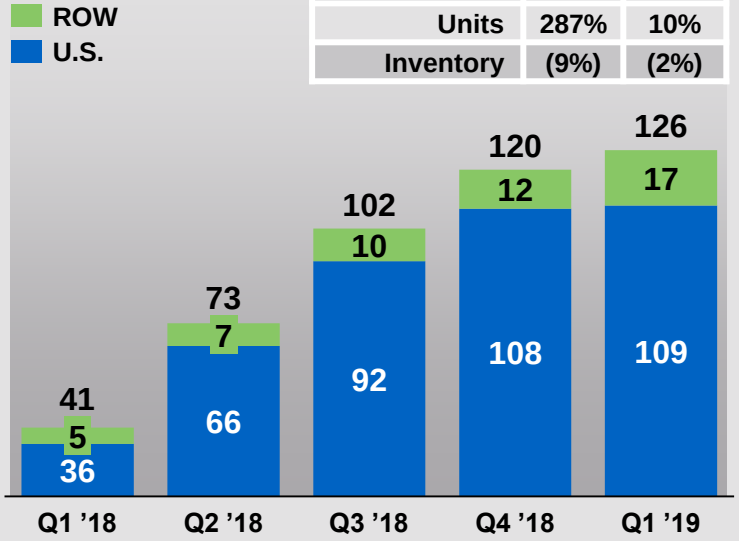
Q1 ’19 PARSABIV® SALES CONTINUED ON A SOLID TRAJECTORY

Parsabiv (etelcalcetide) Injection for intravenous use
2.5mg/0.5mL | 5mg/1mL | 10mg/2mL

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		207%	5%
Units		287%	10%
Inventory		(9%)	(2%)



Highlights

- Strong utilization at independent and midsize dialysis providers
- Large dialysis organizations continue to increase adoption gradually
- Q1 YoY growth negatively impacted due to changes in accounting estimates

Note: Inventory represents wholesaler inventories

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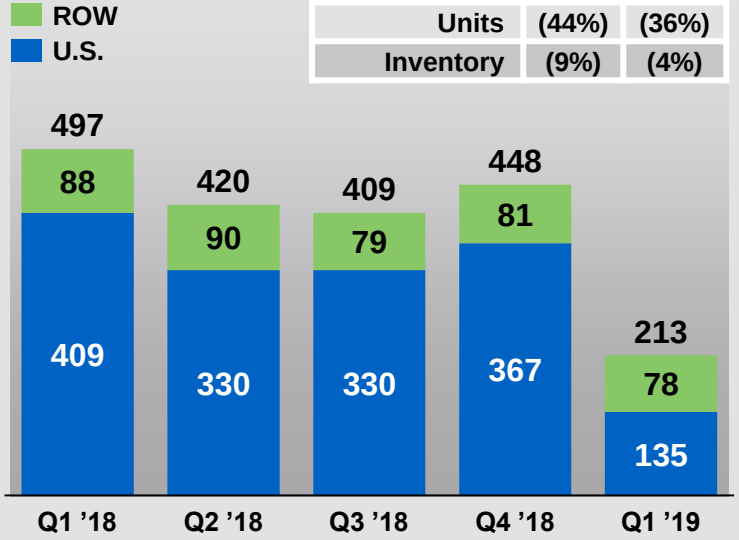
Q1 ’19 SENSIPAR® SALES DECREASED 57% YOY

Sensipar® (cinacalcet HCl) Tablets 30mg·60mg·90mg

$ Millions, Net Sales

	Q1 ’19	YoY	QoQ
Total Growth		(57%)	(52%)
Units		(44%)	(36%)
Inventory		(9%)	(4%)



Highlights

- **YoY decrease driven by at-risk, small molecule generic launches**

Note: Inventory represents wholesaler inventories

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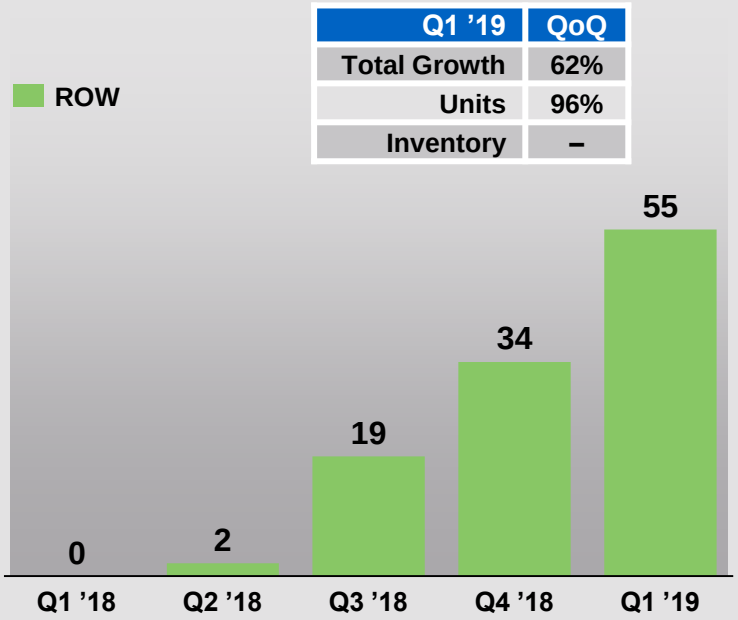
BIOSIMILARS OFF TO A STRONG START AND REPRESENT A MEANINGFUL GROWTH OPPORTUNITY

$ Millions, Net Sales



Highlights

- **Pleased with uptake for our European launches of KANJINTI™ and AMGEVITA™**
- **Planning for multiple new biosimilar launches over the next few years**

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R&D REVIEW

DAVID REESE, M.D.
EXECUTIVE VICE PRESIDENT,
RESEARCH AND DEVELOPMENT

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Q1 ’19 R&D UPDATE

Oncology

- **BCMA**
  - Updated data from AMG 420 (BCMA BiTE® molecule) dose escalation study to be presented at ASCO Annual Meeting in June
  - Initial dose escalation data from AMG 701 (HLE-BiTE® molecule) expected by year end
- **PSMA**
  - AMG 212 (PSMA BiTE® molecule) dose escalation data in patients with metastatic castration-resistant prostate cancer (mCRPC) to be presented at ASCO
  - AMG 160 (PSMA HLE-BiTE® molecule) dose escalation study currently enrolling mCRPC patients
- **AMG 510 (KRAS G12C inhibitor)**
  - Preclinical data presented at AACR Annual Meeting
  - Dose escalation in patients with solid tumors completed, data to be presented at ASCO
  - Expanding enrollment at the target dose, including combination with a PD-1 inhibitor

AACR = American Association for Cancer Research; ASCO = American Society of Clinical Oncology; BCMA = B-cell maturation antigen; BiTE® = bispecific T-cell engager; HLE = half-life extended; PSMA = prostate-specific membrane antigen

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DATA EXPECTED FROM MANY NOVEL, HIGH-POTENTIAL ONCOLOGY PROGRAMS

Multiple Myeloma	Leukemia/Lymphoma		Solid Tumors	
KYPROLIS® proteasome inhibitor	BLINCYTO® CD19 BiTE® molecule	ALL NHL	IMLYGIC® oncolytic virus	Melanoma
AMG 420 BCMA BiTE® molecule	AMG 562 CD19 HLE-BiTE® molecule	NHL	AMG 509* prostate bispecific Ab (XmAb®)	Prostate Cancer
AMG 701 BCMA HLE-BiTE® molecule	AMG 397 MCL-1 inhibitor (oral)		AMG 160 PSMA HLE-BiTE® molecule	
AMG 424 CD38 bispecific Ab (XmAb®)	AMG 330 CD33 BiTE® molecule	AML	AMG 757 DLL3 HLE-BiTE® molecule	Small Cell Lung Cancer
AMG 176 MCL-1 inhibitor (iv)	AMG 673 CD33 HLE-BiTE® molecule		AMG 119 DLL3 CAR T	
AMG 397 MCL-1 inhibitor (oral)	AMG 427 FLT3 HLE-BiTE® molecule		AMG 510 KRAS G12C inhibitor	Solid Tumors
	AMG 553* FLT3 CAR T		AMG 199* HLE-BiTE® molecule	Gastric Cancer
	AMG 176 MCL-1 inhibitor (iv)		AMG 910* HLE-BiTE® molecule	
	AMG 397 MCL-1 inhibitor (oral)		AMG 596 EGFRviii BiTE® molecule	Glioblastoma

Data expected 2019

Data possible 2019

*Not yet enrolling patients; BCMA = B-cell maturation antigen; BiTE® = bispecific T-cell engager; Ab = antibody; Mcl-1 = myeloid cell leukemia-1; iv = intravenous; HLE = half-life extended; FLT3 = fms-like tyrosine kinase 3; CAR-T = chimeric antigen receptor enhanced T cells; ALL = acute lymphoblastic leukemia; NHL = non-Hodgkin's lymphoma AML = acute myeloid leukemia; PSMA = prostate-specific membrane antigen; DLL3 = delta-like 3; EGFR viii = epithelial growth factor receptor variant iii

Bispecific

Small Molecule/Other

AMGEN®

Q1 ’19 R&D UPDATE

Migraine

- **Aimovig®**
  - 140 mg/mL single autoinjector and prefilled syringe approved by FDA

Cardiovascular

- **Omecamtiv mecarbil**
  - Data monitoring committee recommended Phase 3 GALACTIC-HF cardiovascular outcomes study continue without modification after a planned interim futility analysis
- **Corlanor®**
  - Approved by FDA for treatment of stable symptomatic heart failure due to dilated cardiomyopathy in pediatric patients aged six months and older who are in sinus rhythm with an elevated heart rate

Bone

- **EVENITY™**
  - Approved by FDA for the treatment of osteoporosis in postmenopausal women at high risk for fracture

Inflammation

- **Tezepelumab**
  - Enrolling Phase 2 study in patients with atopic dermatitis

Aimovig® is developed in collaboration with Novartis; Omecamtiv mecarbil is being developed under a collaboration between Amgen and Cytokinetics, with funding and strategic support from Servier; EVENITY™ is developed in collaboration with UCB globally, as well as our joint venture partner Astellas in Japan; Tezepelumab is developed in collaboration with AstraZeneca

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Q1 ’19 EARNINGS CALL

APRIL 30, 2019

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RECONCILIATIONS

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

	Three months ended March 31,	
	2019	**2018**
Revenues:		
Product sales	$ 5,286	$ 5,343
Other revenues	271	211
Total revenues	5,557	5,554
Operating expenses:		
Cost of sales	1,055	944
Research and development	879	760
Selling, general and administrative	1,154	1,127
Other	(3)	(3)
Total operating expenses	3,085	2,828
Operating income	2,472	2,726
Interest expense, net	343	338
Interest and other income, net	185	231
Income before income taxes	2,314	2,619
Provision for income taxes	322	308
Net income	$ 1,992	$ 2,311
Earnings per share:		
Basic	$ 3.20	$ 3.27
Diluted	$ 3.18	$ 3.25
Weighted-average shares used in calculation of earnings per share:		
Basic	622	707
Diluted	626	711

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

	March 31, 2019 (Unaudited)	December 31, 2018
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	$ 26,301	$ 29,304
Trade receivables, net	3,771	3,580
Inventories	3,016	2,940
Other current assets	2,063	1,794
Total current assets	35,151	37,618
Property, plant and equipment, net	4,892	4,958
Intangible assets, net	7,124	7,443
Goodwill	14,692	14,699
Other assets	2,138	1,698
Total assets	$ 63,997	$ 66,416
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 9,001	$ 9,069
Current portion of long-term debt	3,705	4,419
Total current liabilities	12,706	13,488
Long-term debt	29,319	29,510
Long-term deferred tax liabilities	811	864
Long-term tax liabilities	8,869	8,770
Other noncurrent liabilities	1,460	1,284
Stockholders' equity	10,832	12,500
Total liabilities and stockholders' equity	$ 63,997	$ 66,416
Shares outstanding	614	630

Amgen Inc.
GAAP to Non-GAAP Reconciliations
(Dollars in millions)
(Unaudited)

	Three months ended March 31,	
	2019	**2018**
GAAP cost of sales	$ 1,055	$ 944
Adjustments to cost of sales:		
Acquisition-related expenses **(a)**	(276)	(266)
Total adjustments to cost of sales	(276)	(266)
Non-GAAP cost of sales	$ 779	$ 678
GAAP cost of sales as a percentage of product sales	20.0%	17.7%
Acquisition-related expenses **(a)**	-5.3	-5.0
Non-GAAP cost of sales as a percentage of product sales	14.7%	12.7%
GAAP research and development expenses	$ 879	$ 760
Adjustments to research and development expenses:		
Acquisition-related expenses **(a)**	(20)	(21)
Total adjustments to research and development expenses	(20)	(21)
Non-GAAP research and development expenses	$ 859	$ 739
GAAP research and development expenses as a percentage of product sales	16.6%	14.2%
Acquisition-related expenses **(a)**	-0.3	-0.4
Non-GAAP research and development expenses as a percentage of product sales	16.3%	13.8%
GAAP selling, general and administrative expenses	$ 1,154	$ 1,127
Adjustments to selling, general and administrative expenses:		
Acquisition-related expenses **(a)**	(4)	(25)
Certain net charges pursuant to our restructuring initiative	(1)	(3)
Total adjustments to selling, general and administrative expenses	(5)	(28)
Non-GAAP selling, general and administrative expenses	$ 1,149	$ 1,099
GAAP selling, general and administrative expenses as a percentage of product sales	21.8%	21.1%
Acquisition-related expenses **(a)**	-0.1	-0.5
Certain net charges pursuant to our restructuring initiative	0.0	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales	21.7%	20.6%
GAAP operating expenses	$ 3,085	$ 2,828
Adjustments to operating expenses:		
Adjustments to cost of sales	(276)	(266)
Adjustments to research and development expenses	(20)	(21)
Adjustments to selling, general and administrative expenses	(5)	(28)
Certain net charges pursuant to our restructuring initiative	1	(1)
Acquisition-related adjustments	2	4
Total adjustments to operating expenses	(298)	(312)
Non-GAAP operating expenses	$ 2,787	$ 2,516
GAAP operating income	$ 2,472	$ 2,726
Adjustments to operating expenses	298	312
Non-GAAP operating income	$ 2,770	$ 3,038
GAAP operating income as a percentage of product sales	46.8%	51.0%
Adjustments to cost of sales	5.3	5.0
Adjustments to research and development expenses	0.3	0.4
Adjustments to selling, general and administrative expenses	0.1	0.5
Certain net charges pursuant to our restructuring initiative	0.0	0.0
Acquisition-related adjustments	-0.1	0.0
Non-GAAP operating income as a percentage of product sales	52.4%	56.9%
GAAP interest and other income, net	$ 185	$ 231
Adjustments to other income **(b)**	-	(75)
Non-GAAP interest and other income, net	$ 185	$ 156
GAAP income before income taxes	$ 2,314	$ 2,619
Adjustments to operating expenses	298	312
Adjustments to other income **(b)**	-	(75)
Non-GAAP income before income taxes	$ 2,612	$ 2,856
GAAP provision for income taxes	$ 322	$ 308
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments **(c)**	68	64
Other income tax adjustments **(d)**	(8)	18
Total adjustments to provision for income taxes	60	82
Non-GAAP provision for income taxes	$ 382	$ 390
GAAP tax as a percentage of income before taxes	13.9%	11.8%
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments **(c)**	1.0	1.3
Other income tax adjustments **(d)**	-0.3	0.6
Total adjustments to provision for income taxes	0.7	1.9
Non-GAAP tax as a percentage of income before taxes	14.6%	13.7%
GAAP net income	$ 1,992	$ 2,311
Adjustments to net income:		
Adjustments to income before income taxes, net of the income tax effect	230	173
Other income tax adjustments **(d)**	8	(18)
Total adjustments to net income	238	155
Non-GAAP net income	$ 2,230	$ 2,466

Amgen Inc.
GAAP to Non-GAAP Reconciliations
(In millions, except per-share data)
(Unaudited)

The following table presents the computations for GAAP and non-GAAP diluted earnings per share.

	Three months ended March 31, 2019		Three months ended March 31, 2018	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	$ 1,992	$ 2,230	$ 2,311	$ 2,466
Weighted-average shares for diluted EPS	626	626	711	711
Diluted earnings per share	$ 3.18	$ 3.56	$ 3.25	$ 3.47

(a) The adjustments related primarily to noncash amortization of intangible assets acquired in business combinations.

(b) For three months ended March 31, 2018, the adjustment related to the net gain associated with the Kirin-Amgen share acquisition.

(c) The tax effect of the adjustments between our GAAP and non-GAAP 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 rate for the adjustments to our GAAP income before income taxes, for the three months ended March 31, 2019, was 22.8%, compared with 27.0% for the corresponding period of the prior year.

(d) For three months ended March 31, 2019, the adjustment related to prior-period items excluded from GAAP earnings. For three months ended March 31, 2018, the adjustment related primarily to the K-A acquisition.

Amgen Inc.
Reconciliations of Cash Flows
(In millions)
(Unaudited)

	Three months ended March 31,	
	2019	**2018**
Net cash provided by operating activities	$ 1,845	$ 2,727
Net cash provided by investing activities	3,555	14,906
Net cash used in financing activities	(4,987)	(11,692)
Increase in cash and cash equivalents	413	5,941
Cash and cash equivalents at beginning of period	6,945	3,800
Cash and cash equivalents at end of period	$ 7,358	$ 9,741

	Three months ended March 31,	
	2019	**2018**
Net cash provided by operating activities	$ 1,845	$ 2,727
Capital expenditures	(116)	(155)
Free cash flow	$ 1,729	$ 2,572

Reconciliation of GAAP EPS Guidance to Non-GAAP EPS Guidance for the Year Ending December 31, 2019
(Unaudited)

GAAP diluted EPS guidance	$	11.68	-	$	12.73
Known adjustment to arrive at non-GAAP*:					
Acquisition-related expenses (a)			1.56		
Tax adjustments			0.01		
Non-GAAP diluted EPS guidance	$	13.25	-	$	14.30

* The known adjustments are presented net of their related tax impact, which amount to approximately $0.41 per share.

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

Our GAAP diluted EPS guidance does not include the effect of GAAP adjustments triggered by events that may occur subsequent to this press release such as acquisitions, asset impairments, litigation and changes in the fair value of our contingent consideration.

Reconciliation of GAAP Tax Rate Guidance to Non-GAAP Tax Rate Guidance for the Year Ending December 31, 2019
(Unaudited)

GAAP tax rate guidance	13.0%	-	14.0%
Tax rate effect of known adjustments discussed above		1.0%	
Non-GAAP tax rate guidance	14.0%	-	15.0%

Amgen Inc.
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.

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