

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

|  | <b>Three months ended</b> |                 |
|--|---------------------------|-----------------|
|  | <b>March 31,</b>          |                 |
|  | <b>2016</b>               | <b>2015</b>     |
| Revenues:  |                           |                 |
| Product sales.....   | \$ 5,239                  | \$ 4,874        |
| Other revenues.....  | 288                       | 159             |
| Total revenues.....  | <u>5,527</u>              | <u>5,033</u>    |
| Operating expenses:  |                           |                 |
| Cost of sales.....   | 1,018                     | 1,033           |
| Research and development.....                                      | 872                       | 894             |
| Selling, general and administrative.....                           | 1,203                     | 1,026           |
| Other.....   | 32                        | 58              |
| Total operating expenses.....                                      | <u>3,125</u>              | <u>3,011</u>    |
| Operating income.....  | 2,402                     | 2,022           |
| Interest expense, net.....   | 294                       | 252             |
| Interest and other income, net.....                                | 150                       | 106             |
| Income before income taxes.....                                    | 2,258                     | 1,876           |
| Provision for income taxes.....                                    | 358                       | 253             |
| Net income.....  | <u>\$ 1,900</u>           | <u>\$ 1,623</u> |
| Earnings per share:  |                           |                 |
| Basic.....   | \$ 2.52                   | \$ 2.13         |
| Diluted.....   | \$ 2.50                   | \$ 2.11         |
| Weighted average shares used in calculation of earnings per share: |                           |                 |
| Basic.....   | 753                       | 761             |
| Diluted.....   | 760                       | 770             |

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

|   | <b>March 31,<br/>2016</b> | <b>December 31,<br/>2015</b> |
|---|---------------------------|------------------------------|
| <b>Assets</b>   |                           |                              |
| Current assets:                                       |                           |                              |
| Cash, cash equivalents and marketable securities..... | \$ 34,740                 | \$ 31,382                    |
| Trade receivables, net.....                           | 3,078                     | 2,995                        |
| Inventories.....                                      | 2,572                     | 2,435                        |
| Other current assets.....                             | 1,816                     | 1,703                        |
| Total current assets.....                             | 42,206                    | 38,515                       |
| Property, plant and equipment, net.....               | 4,885                     | 4,907                        |
| Intangible assets, net.....                           | 11,448                    | 11,641                       |
| Goodwill.....   | 14,804                    | 14,787                       |
| Other assets.....                                     | 1,773                     | 1,599                        |
| Total assets.....                                     | <u>\$ 75,116</u>          | <u>\$ 71,449</u>             |
| <b>Liabilities and Stockholders' Equity</b>           |                           |                              |
| Current liabilities:                                  |                           |                              |
| Accounts payable and accrued liabilities.....         | \$ 6,276                  | \$ 6,417                     |
| Current portion of long-term debt.....                | 2,247                     | 2,247                        |
| Total current liabilities.....                        | 8,523                     | 8,664                        |
| Long-term debt.....                                   | 32,060                    | 29,182                       |
| Long-term deferred tax liability.....                 | 2,202                     | 2,239                        |
| Other noncurrent liabilities.....                     | 3,649                     | 3,281                        |
| Stockholders' equity.....                             | 28,682                    | 28,083                       |
| Total liabilities and stockholders' equity.....       | <u>\$ 75,116</u>          | <u>\$ 71,449</u>             |
| Shares outstanding.....                               | 751                       | 754                          |

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

|  | Three months ended |                 |
|--|--------------------|-----------------|
|  | March 31,          |                 |
|  | 2016               | 2015            |
| <b>GAAP cost of sales</b>  | \$ 1,018           | \$ 1,033        |
| <b>Adjustments to cost of sales:</b>   |                    |                 |
| Acquisition-related expenses (a)   | (311)              | (284)           |
| Certain net charges pursuant to our restructuring initiative                                     | -                  | (14)            |
| <b>Total adjustments to cost of sales</b>  | <u>(311)</u>       | <u>(298)</u>    |
| <b>Adjusted cost of sales</b>  | <u>\$ 707</u>      | <u>\$ 735</u>   |
| <br>   |                    |                 |
| <b>GAAP research and development expenses</b>  | \$ 872             | \$ 894          |
| <b>Adjustments to research and development expenses:</b>   |                    |                 |
| Acquisition-related expenses (a)   | (19)               | (21)            |
| Certain net charges pursuant to our restructuring initiative                                     | 5                  | (17)            |
| <b>Total adjustments to research and development expenses</b>                                    | <u>(14)</u>        | <u>(38)</u>     |
| <b>Adjusted research and development expenses</b>  | <u>\$ 858</u>      | <u>\$ 856</u>   |
| <br>   |                    |                 |
| <b>GAAP selling, general and administrative expenses</b>   | \$ 1,203           | \$ 1,026        |
| <b>Adjustments to selling, general and administrative expenses:</b>                              |                    |                 |
| Acquisition-related expenses (b)   | (101)              | (29)            |
| Certain net charges pursuant to our restructuring initiative                                     | 1                  | (4)             |
| <b>Total adjustments to selling, general and administrative expenses</b>                         | <u>(100)</u>       | <u>(33)</u>     |
| <b>Adjusted selling, general and administrative expenses</b>                                     | <u>\$ 1,103</u>    | <u>\$ 993</u>   |
| <br>   |                    |                 |
| <b>GAAP operating expenses</b>   | \$ 3,125           | \$ 3,011        |
| <b>Adjustments to operating expenses:</b>  |                    |                 |
| Adjustments to cost of sales   | (311)              | (298)           |
| Adjustments to research and development expenses   | (14)               | (38)            |
| Adjustments to selling, general and administrative expenses                                      | (100)              | (33)            |
| Certain net charges pursuant to our restructuring initiative (c)                                 | (2)                | (57)            |
| Expense related to a legal proceeding  | (27)               | -               |
| Other  | (3)                | (1)             |
| <b>Total adjustments to operating expenses</b>   | <u>(457)</u>       | <u>(427)</u>    |
| <b>Adjusted operating expenses</b>   | <u>\$ 2,668</u>    | <u>\$ 2,584</u> |
| <br>   |                    |                 |
| <b>GAAP operating income</b>   | \$ 2,402           | \$ 2,022        |
| Adjustments to operating expenses  | 457                | 427             |
| <b>Adjusted operating income</b>   | <u>\$ 2,859</u>    | <u>\$ 2,449</u> |
| <br>   |                    |                 |
| <b>GAAP income before income taxes</b>   | \$ 2,258           | \$ 1,876        |
| Adjustments to operating expenses  | 457                | 427             |
| <b>Adjusted income before income taxes</b>   | <u>\$ 2,715</u>    | <u>\$ 2,303</u> |
| <br>   |                    |                 |
| <b>GAAP provision for income taxes</b>   | \$ 358             | \$ 253          |
| <b>Adjustments to provision for income taxes:</b>  |                    |                 |
| Income tax effect of the above adjustments (d)   | 139                | 139             |
| Other income tax adjustments (e)   | 15                 | -               |
| <b>Total adjustments to provision for income taxes</b>   | <u>154</u>         | <u>139</u>      |
| <b>Adjusted provision for income taxes</b>   | <u>\$ 512</u>      | <u>\$ 392</u>   |
| <br>   |                    |                 |
| <b>GAAP net income</b>   | \$ 1,900           | \$ 1,623        |
| <b>Adjustments to net income:</b>  |                    |                 |
| Adjustments to income before income taxes, net of the income tax effect of the above adjustments | 318                | 288             |
| Other income tax adjustments (e)   | (15)               | -               |
| <b>Total adjustments to net income</b>   | <u>303</u>         | <u>288</u>      |
| <b>Adjusted net income</b>   | <u>\$ 2,203</u>    | <u>\$ 1,911</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<br/>March 31, 2016</b> |                 | <b>Three months ended<br/>March 31, 2015</b> |                 |
|--|--|-----------------|--|-----------------|
|  | <b>GAAP</b>                                  | <b>Adjusted</b> | <b>GAAP</b>                                  | <b>Adjusted</b> |
| Net income.....                              | \$ 1,900                                     | \$ 2,203        | \$ 1,623                                     | \$ 1,911        |
| Weighted-average shares for diluted EPS..... | 760  | 760             | 770  | 770             |
| Diluted EPS.....                             | <u>\$ 2.50</u>                               | <u>\$ 2.90</u>  | <u>\$ 2.11</u>                               | <u>\$ 2.48</u>  |

- (a) The adjustments related primarily to non-cash amortization of intangible assets acquired in business combinations.
- (b) The 2016 adjustments related primarily to a \$73-million charge resulting from the reacquisition of Prolia<sup>®</sup>, XGEVA<sup>®</sup> and Vectibix<sup>®</sup> license agreements in certain markets from Glaxo Group Limited, as well as non-cash amortization of intangible assets acquired in business combinations. The 2015 adjustments related primarily to non-cash amortization of intangible assets acquired in business combinations.
- (c) The 2015 adjustments related primarily to severance expenses.
- (d) 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 months ended March 31, 2016 and 2015, were 30.4% and 32.6%, respectively.
- (e) The adjustments related to certain prior period items excluded from adjusted earnings.

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

|                           | Three months ended<br>March 31, |                 |
|---------------------------|---------------------------------|-----------------|
|                           | 2016                            | 2015            |
| Operating Cash Flow.....  | \$ 1,915                        | \$ 1,482 (a)    |
| Capital Expenditures..... | (156)                           | (118)           |
| Free Cash Flow.....       | <u>\$ 1,759</u>                 | <u>\$ 1,364</u> |

(a) Restated to include \$153 million, which was previously included in cash flows from financing activities, as a result of the adoption of Accounting Standard Update 2016-09.

**Reconciliation of GAAP EPS Guidance to Adjusted  
EPS Guidance for the Year Ending December 31, 2016**  
(Unaudited)

|   |                 |          |                 |
|---|-----------------|----------|-----------------|
| <b>GAAP diluted EPS guidance</b> .....                    | \$ 9.34         | -        | \$ 9.74         |
| <b>Known adjustments to arrive at Adjusted earnings*:</b> |                 |          |                 |
| Acquisition-related expenses..... (a)                     |                 | 1.37     |                 |
| Restructuring charges.....                                | 0.09            | -        | 0.14            |
| Legal proceeding charge.....                              |                 | 0.02     |                 |
| Tax adjustments..... (b)                                  |                 | (0.02)   |                 |
| <b>Adjusted diluted EPS guidance</b> .....                | <u>\$ 10.85</u> | <u>-</u> | <u>\$ 11.20</u> |

\* The known adjustments are presented net of their related tax impact which amount to approximately \$0.68 to \$0.70 per share, in the aggregate.

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

(b) The adjustments relate to certain prior period items excluded from adjusted earnings.

**Reconciliation of GAAP Tax Rate Guidance to Adjusted  
Tax Rate Guidance for the Year Ending December 31, 2016**  
(Unaudited)

|   | 2016         |          |              |
|---|--------------|----------|--------------|
| <b>GAAP tax rate guidance</b> .....                       | 16.5%        | -        | 17.5%        |
| Tax rate effect of known adjustments discussed above..... |              | 2.5%     |              |
| <b>Adjusted tax rate guidance</b> .....                   | <u>19.0%</u> | <u>-</u> | <u>20.0%</u> |

**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.

