Letter to Shareholders

Robert A. Bradway, Chairman and Chief Executive Officer, Amgen Inc.

Dear Shareholders,

2013 was a landmark year for Amgen. We delivered financially for investors as we executed on our core strategies and set the stage for long-term growth. In 2013, revenues increased 8 percent to $18.7 billion. Adjusted earnings per share* grew 17 percent to $7.60, reflecting strong execution and continued momentum in our business. Our total shareholder return of 35 percent outperformed the S&P 500 in 2013.

Just as important, we made the long-term investments necessary to continue to advance our later-stage pipeline and grow globally. We plan to have pivotal data on 10 innovative molecules in our later-stage pipeline by 2016 and to advance a portfolio of six biosimilar molecules that have the potential to begin launching in 2017. We are also now present in more than 75 countries, including Japan, China and other emerging markets.

All of this gives me great confidence that we are creating a very exciting future for Amgen. We are pushing the boundaries of biotechnology to find new ways to deliver for patients suffering from serious illnesses. We are also bringing our medicines to new markets, providing new treatment options for patients around the world.

Delivering for Shareholders

Consistent with our capital allocation strategy, we continued to return significant capital to shareholders: first, in the form of $1.4 billion in cash dividends paid in 2013, and second, through the repurchase of $0.8 billion of our stock in 2013, for a total return of capital of $2.2 billion. In December 2013, we declared a dividend of $0.61 per share of common stock, payable in March 2014, representing a 30 percent increase over the quarterly dividend paid in each of the last four quarters. In addition to a higher dividend, our share price appreciated significantly in 2013.

Continued Product Growth

Our performance in 2013 was driven by strong execution across the portfolio. Product sales grew 10 percent in the United States, and 8 percent in the rest of the world.

Neulasta® (pegfilgrastim) and NEUPOGEN® (filgrastim) sales grew in 2013 with an established track record of efficacy and safety in the oncology setting. Notably, Neulasta® represents more than 75 percent of our filgrastim business.

With Enbrel® (etanercept), we are pleased that the investment we have been making continues to yield attractive returns. In addition, 2014 will be an important year for ENBREL, as we expect an $800-million incremental operating income contribution from this franchise.

EPOGEN® (epoetin alfa) remained a viable therapy for patients with anemia undergoing dialysis in 2013.

Sensipar®/Mimpara® (cinacalcet), our therapy for patients with secondary hyperparathyroidism on dialysis, generated sales in excess of $1 billion in 2013. Furthermore, Nplate® (romiplostim) and Vectibix® (panitumumab) continued to grow, while Aranesp® (darbepoetin alfa) remained an important therapy in use by physicians for the treatment of anemia.

Prolia® (denosumab) and XGEVA® (denosumab) also continued to grow, having contributed sales of $1.8 billion in 2013 and having now become available in all major European countries. In addition, XGEVA® became the seventh product in our portfolio to exceed $1 billion of sales in a single year.

Kyprolis® (carfilzomib) is in the early stages of its launch and continues to be the therapy of

*Adjusted earnings per share is a non-GAAP financial measure. See back page for reconciliation to U.S. generally accepted accounting principles (GAAP).

choice in the relapsed/refractory multiple myeloma setting in the United States. We expect the next major inflection point for Kyprolis® will come with the inclusion of second-line data in our label, pending positive clinical trial results.

Growing Through Acquisitions and Partnerships

While delivering financially for shareholders in 2013, we also made significant strategic investments. We acquired Onyx Pharmaceuticals, Inc., a leading biopharmaceutical company engaged in the development and commercialization of innovative therapies for improving the lives of people with certain cancers. This is an important addition to our already strong oncology business.

In 2013, we purchased the U.S. rights to ivabradine from Servier. This innovative molecule for treatment of heart failure is already approved in many markets around the world and has the potential to provide an important treatment option for patients in the United States. It will also provide Amgen with entry into the cardiovascular market ahead of the potential launch for evolocumab (AMG 145), an investigational medicine currently being evaluated for the treatment of dyslipidemia.

Expanding Globally Ahead of Plan

Expanding globally is an important element of Amgen's growth opportunity. We successfully reacquired rights to filgrastim and pegfilgrastim in eastern Europe, Latin America, Asia, the Middle East and Africa, effective January 1, 2014. As a result, we met our goal of having a presence in more than 75 markets two years ahead of schedule; this included several key emerging markets.

Establishing a clear presence for our innovative medicines in Japan, China and key emerging markets around the world has also been an important objective. In 2013, we made demonstrable progress in each of these areas.

In Japan, we announced an alliance with the second-largest pharmaceutical company in the Japanese market, Astellas Pharma Inc. We are very excited about the prospects for developing and commercializing five innovative medicines in our pipeline in Japan as part of this collaboration. In addition, Amgen Astellas BioPharma K.K., a new joint venture formed by the two companies, will become a wholly owned subsidiary of Amgen as early as 2020. This is a key milestone on the path toward Amgen having a strong, independent future in Japan, the world's second-largest pharmaceutical market.

In China, we formed a partnership with an innovative oncology therapeutics company known as Betta Pharma. In addition, we announced plans to open a research and development facility at ShanghaiTech University as part of our commitment to building a research presence in China.

Emerging Later-Stage Pipeline

Core to our growth strategy is our investment in an innovative pipeline to address areas of significant unmet medical needs. We have invested with a growing focus on medicines that impact genetically validated human biological targets.

The progress we made in 2013 and early 2014 was evident in the data we generated from important programs, chief among them being our anti-PCSK9 antibody known as evolocumab. In late 2013 and early 2014, top-line results for five phase 3 clinical trials were reported for evolocumab—all meeting their primary low-density-lipoprotein (LDL)-lowering endpoints. The robust data from these five studies will form the basis of our global filing plan, and we look forward to discussions with regulatory agencies. In addition, two studies from our oncology programs in 2013 met their primary endpoints. The first of those was for talimogene laherparepvec, directed at metastatic melanoma, and the second was for trebananib, our peptibody directed at the angiopoietin axis to treat recurrent ovarian cancer.

Ten Molecules Addressing Serious Illness and Large Unmet Need

When looking at opportunities across all ten molecules for which we expect to have pivotal data by 2016, we are very excited about their promise for patients suffering from serious illness and about their potential to deliver value for shareholders. For starters, the two leading causes of death in the world are heart disease and cancer, and we are currently advancing two innovative cardiovascular medicines and five oncology medicines through our later-stage pipeline to address these significant unmet medical needs.

Heart Disease

Heart failure is a serious disease affecting nearly 5 million people in the United States. Ivabradine works by slowing the heart rate and improving heart function in patients with chronic heart failure. Ivabradine has been on the market outside the United States for a number of years, and now we have the potential to bring this product to patients suffering from heart failure in the United States.

Despite the success of statins, there is still significant unmet medical need for patients with high cholesterol. Many patients are unable to reach their cholesterol-lowering goal with statins, and we are hopeful that evolocumab has the potential to help these patients.

Cancer

Melanoma is the most dangerous form of skin cancer. Talimogene laherparepvec, a modified herpes virus designed to selectively destroy tumor cells and recruit the body's immune system, is currently being investigated for the

treatment of metastatic melanoma.

Relapsed/refractory acute lymphoblastic leukemia (ALL) is a rare and potentially fatal form of leukemia; many diagnosed with ALL won't live more than five years. Blinatumomab is an antibody that is designed to target and destroy the cancer cells in those suffering from ALL by using the body's own T cells. We are hopeful that this technology, known as a bispecific T-cell engager (BiTE®) antibody, could have other applications for patients suffering from serious illnesses.

Gastric cancer is another common cancer. The prognosis to live five years or more with this illness is often poor. We hope to be able to help in the fight against gastric cancer via our human monoclonal antibody rilotumumab, a personalized, targeted medicine.

Multiple myeloma is a cancer of the plasma cells that impacts many thousands of people globally. Kyprolis®, a proteasome inhibitor, represents an important new option for patients, and we look forward to reaching many more patients around the world in 2014 with this innovative medicine.

Recurrent ovarian cancer is one of the deadliest of gynecologic cancers and the fifth-leading cause of cancer-related death among women. We believe trebananib may have the potential to help women with this disease.

Additional Unmet Medical Needs

We are advancing three additional later-stage investigational medicines for the treatment of psoriasis, postmenopausal osteoporosis and secondary hyperparathyroidism.

There are serious struggles for patients with psoriasis. Our hope is that brodalumab, an IL-17 receptor antibody, has the potential to deliver high levels of skin clearance for many patients.

Currently, products like Prolia® are helping stop bone loss in patients with osteoporosis at high risk for fracture. With romosozumab, we have the potential not just to stop bone loss but also to build bone, making this a possible treatment option for women with postmenopausal osteoporosis.

We are also investigating a new option for patients in the treatment of secondary hyperparathyroidism with velcalcetide (AMG 416). Velcalcetide is a peptide designed to mimic the effects of ionized calcium by activating the calcium-sensing receptor.

Advancing Biosimilars

In addition to the progress we are making with the 10 innovative molecules in our pipeline, we made real progress with our biosimilars program in 2013. By year-end, three pivotal biosimilar studies were under way for our Avastin®, Herceptin® and Humira® biosimilars; and we are progressing toward pivotal trials for the remaining three biosimilar programs. We expect to launch our biosimilars portfolio beginning in 2017.

Biologics Manufacturing Facility in Singapore

We broke ground in Singapore in early 2013 on a facility that will enable us to be faster, more flexible and more efficient in our manufacturing operations. Amgen is widely recognized as a leader in biologics manufacturing, and we continue to advance our capabilities in this field.

An Exciting Year Ahead

2014 will be an exciting year for Amgen. By the end of the year, we expect to have potentially pivotal—or registration-enabling—data from eight of our innovative molecules: two cardiovascular medicines, four oncology medicines, one anti-inflammation medicine and one medicine for secondary hyperparathyroidism. We will progress in development and implementation activities around drug delivery systems. And we will build on the progress we made in global expansion to more than 75 markets. In addition, we believe the currently approved indications for XGEVA® and Prolia® represent significant commercial opportunities.

We anticipate longer-term growth through the successful development of our later-stage pipeline, continued expansion into emerging markets, strategic business development opportunities and biosimilar opportunities. Furthermore, our continued focus on increasing cost efficiencies will assist in providing the necessary resources to fund many of these future opportunities.

I would like to thank all of my Amgen colleagues for delivering for our shareholders and for patients in 2013. As I look to the future, I am confident that our strategy is sound, our staff is aligned and our culture—rooted in science and innovation—is well grounded. This new era of biotechnology we are entering will enable us to reach more patients suffering from serious illnesses in more markets around the world.

Robert A. Bradway
Chairman and Chief Executive Officer

Reconciliation of GAAP Earnings Per Share to Adjusted Earnings Per Share (Unaudited)

Results for the years ended December 31,	2013	2012
GAAP earnings per share (diluted)	$6.64	$5.52
Adjustments to GAAP earnings per share[a]:		
Acquisition-related expenses[b]	0.91	0.42
Cost-savings initiatives	0.06	0.31
Expenses related to various legal proceedings	0.02	0.07
Non-cash interest expense associated with our convertible notes	0.01	0.11
Stock option expense	–	0.05
Other tax adjustments[c]	(0.04)	0.03
Adjusted earnings per share (diluted)	$7.60	$6.51

(a) The adjustments are presented net of their related per-share tax impact of $0.49 and $0.42 for 2013 and 2012, respectively.

(b) To exclude acquisition-related expenses related primarily to non-cash amortization of intangible assets acquired in business combinations.

(c) The adjustments in 2013 related to resolving certain non-routine transfer-pricing and acquisition-related issues with tax authorities as well as the impact related to certain prior period items excluded from adjusted earnings. The adjustments in 2012 related to certain prior period items excluded from adjusted earnings.

Forward-looking statements: This communication 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 estimates of revenues, operating margins, other financial metrics, expected regulatory or clinical results or practices 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 reports filed by Amgen, including Amgen's annual report on Form 10-K for the year ended December 31, 2013 (provided with this communication) and any subsequent periodic reports on Form 10-Q and Form 8-K. Please refer to the Form 10-K provided with this communication and Amgen's most recent Forms 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 March 4, 2014 and expressly disclaims any duty to update information contained in this Annual Report. 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 (domestic or foreign) involving current and future products, sales growth of recently launched products, competition from other products (domestic or foreign) and difficulties or delays in manufacturing our products. Discovery or identification of new product candidates cannot be guaranteed and 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. Further, preclinical results do not guarantee safe and effective performance of product candidates in humans. The length of time that it takes for us to complete clinical trials and obtain regulatory approval for product marketing has in the past varied and we expect similar variability in the future. We develop product candidates internally and through licensing collaborations, partnerships, joint ventures and acquisitions. Product candidates that are derived from relationships or acquisitions may be subject to disputes between the parties or may prove to be not as effective or as safe as we may have believed at the time of entering into such relationship. In addition, sales of our products are affected by 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 as well as U.S. legislation affecting pharmaceutical pricing and reimbursement. Government and others' regulations and reimbursement policies may affect the development, usage and pricing of our products. 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 after they are on the market. Our business may be impacted by government investigations, litigation and products liability claims. If we fail to meet the compliance obligations in the corporate integrity agreement between us and the U.S. government, we could become subject to significant sanctions. Further, 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. We depend on third parties for a significant portion of our manufacturing capacity for the supply of certain of our current and future products and limits on supply may constrain sales of certain of our current products and product candidate development. In addition, we compete with other companies with respect to some of our marketed products as well as for the discovery and development of new products. Our products may compete against products that have lower prices, established reimbursement, superior performance, are easier to administer, or that are otherwise competitive with our products. Further, some raw materials, medical devices and component parts for our products are supplied by sole third-party suppliers. Our efforts to integrate the operations of companies we have acquired may not be successful. 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.

AMGEN®

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Thousand Oaks, CA 91320-1799
www.amgen.com

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 000-12477

Amgen Inc.

(Exact name of registrant as specified in its charter)

Delaware	**95-3540776**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Amgen Center Drive, **Thousand Oaks, California** (Address of principal executive offices)	**91320-1799** (Zip Code)

(805) 447-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common stock, $0.0001 par value	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes ☐ No ☒

The approximate aggregate market value of voting and non-voting stock held by non-affiliates of the registrant was $74,222,900,950 as of June 30, 2013(A)

(A) Excludes 624,964 shares of common stock held by directors and executive officers at June 30, 2013. Exclusion of shares held by any person should not be construed to indicate that such person possesses the power, directly or indirectly, to direct or cause the direction of the management or policies of the registrant, or that such person is controlled by or under common control with the registrant.

755,007,290

(Number of shares of common stock outstanding as of February 13, 2014)

DOCUMENTS INCORPORATED BY REFERENCE

Specified portions of the registrant's Proxy Statement with respect to the 2014 Annual Meeting of stockholders to be held May 15, 2014, are incorporated by reference into Part III of this annual report.

INDEX

PART I

Item 1. BUSINESS

Amgen Inc. (including its subsidiaries, referred to as "Amgen," "the Company," "we," "our" or "us") is committed to unlocking the potential of biology for patients suffering from serious illnesses by discovering, developing, manufacturing and delivering innovative human therapeutics. This approach begins by using tools like advanced human genetics to unravel the complexities of disease and understand the fundamentals of human biology.

Amgen focuses on areas of high unmet medical need and leverages its biologics manufacturing expertise to strive for solutions that improve health outcomes and dramatically improve people's lives. A biotechnology pioneer, Amgen has grown to be the world's largest independent biotechnology company, has reached millions of patients around the world and is developing a pipeline of medicines with breakaway potential.

We were incorporated in California in 1980 and became a Delaware corporation in 1987. Amgen operates in one business segment: human therapeutics.

Significant Developments

Following is a summary of significant developments that occurred in 2013 and early 2014 affecting our business.

Acquisition

- In October 2013, we acquired Onyx Pharmaceuticals, Inc. (Onyx), a global biopharmaceutical company engaged in the development and commercialization of innovative therapies for improving the lives of people with certain cancers. Onyx has a growing multiple myeloma franchise, with Kyprolis® (carfilzomib) for Injection already approved in the United States (U.S.), and with oprozomib being evaluated in clinical trials for patients with hematologic malignancies. In addition, Onyx has three partnered oncology assets: Nexavar ® (sorafenib) tablets (an Onyx and Bayer HealthCare Pharmaceuticals, Inc. (Bayer) compound), Stivarga ® (regorafenib) tablets (a Bayer compound), and palbociclib (a Pfizer, Inc. (Pfizer) compound). See Note 2, Business combinations to the Consolidated Financial Statements.

  We believe there is a significant opportunity to grow Kyprolis®. Ongoing studies to support and extend the position of Kyprolis ® in multiple myeloma include:

  - The FOCUS trial, which could support the European Union (EU) filing for the indication of relapsed/refractory multiple myeloma;
  - The ASPIRE trial, which is the confirmatory trial for full U.S. approval as well as a registration-enabling study for relapsed multiple myeloma in the United States and the EU;
  - The ENDEAVOR trial, which compares Kyprolis® with Velcade® (bortezomib) in patients with relapsed multiple myeloma who have received one to three prior therapies; and
  - The CLARION trial, which compares Kyprolis ® with Velcade® in patients with newly diagnosed multiple myeloma.

Pipeline

Evolocumab (AMG 145)

- In December 2013 and January 2014, we announced results from five phase 3 lipid lowering clinical studies evaluating evolocumab as a monotherapy, in combination with statin therapy, in heterozygous familial hypercholesterolemia, in statin-intolerant subjects, and in combination with optimized lipid lowering therapy in a 52 week safety and efficacy study. All five of these studies met their primary endpoints.

  In a separate phase 3 study of our devices for use in combination with evolocumab, 95 percent or greater of the 164 patients enrolled were able to self-administer at least one full home administration of evolocumab 420 mg subcutaneously by one injection with an automated mini-doser or by three injections with a standard spring-based autoinjector. Reductions in low-density lipoprotein cholesterol (LDL-C) were comparable with both devices.

Ivabradine

- In August 2013, we obtained the commercial rights in the United States to Servier's novel oral drug ivabradine, a small molecule inhibitor of the cardiac f-current (I_f). Ivabradine is approved in the EU and many other jurisdictions outside of the United States as Procoralan ® for chronic heart failure and stable angina in patients with elevated heart rates.

Talimogene Laherparepvec

- In March 2013, we announced results from the phase 3 trial in melanoma, which evaluated the efficacy and safety of talimogene laherparepvec for the treatment of unresected stage IIIB, IIIC or IV melanoma compared to treatment with subcutaneous granulocyte-macrophage colony-stimulating factor (GM-CSF).

  The study met its primary endpoint of durable response rate (DRR), defined as the rate of complete or partial response lasting continuously for at least six months. A statistically significant difference was observed in DRR: 16 percent in the talimogene laherparepvec arm versus two percent in the GM-CSF arm. A pre-planned interim analysis conducted with the analysis of DRR has shown an overall survival (OS) trend in favor of talimogene laherparepvec as compared to GM-CSF. The analysis of OS, a key secondary endpoint of the study, is event driven.

Trebananib

- In June 2013, we announced that the phase 3 TRINOVA-1 trial evaluating trebananib plus paclitaxel versus placebo plus paclitaxel in recurrent ovarian cancer met its primary endpoint of progression-free survival (PFS). A statistically significant difference was observed in PFS with a 34 percent reduction in the risk of disease progression or death. The median PFS was 7.2 months in the trebananib arm versus 5.4 months in the control arm. The primary analysis of the OS secondary endpoint is event driven.

Marketing, Distribution and Selected Marketed Products

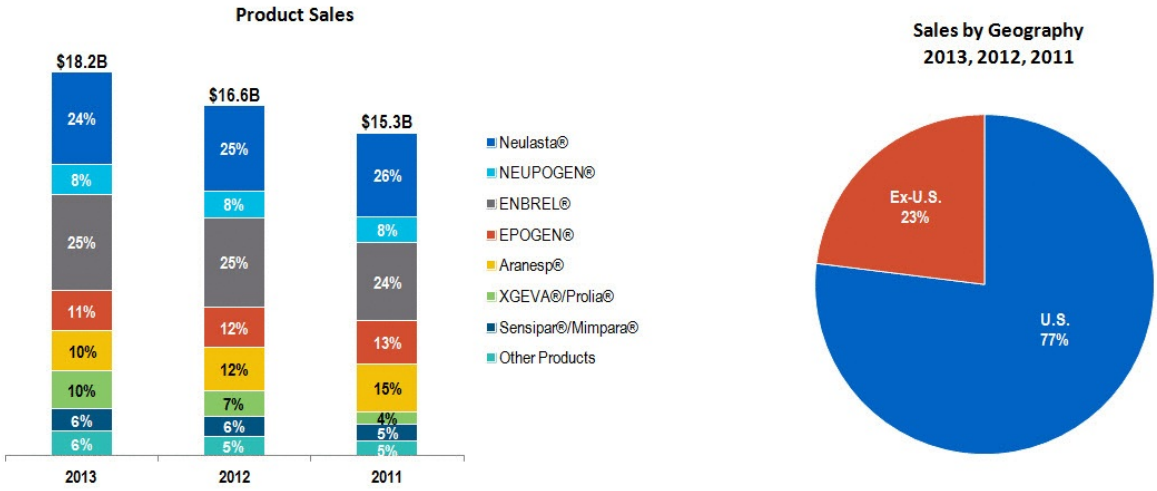
We maintain sales and marketing forces primarily in the United States and Europe. Additionally, we continue to expand the commercialization and marketing of our products into new geographic markets, including such countries as Japan and China. This is achieved either through building our own sales and marketing force or in partnership with third parties. See Business Relationships. Together with our partners, we market our products to healthcare providers, including physicians or their clinics, dialysis centers, hospitals and pharmacies. We also market certain products directly to consumers through direct-to-consumer print and television advertising, as well as through the Internet. See Government Regulation — Regulation of Product Marketing and Promotion for a discussion of government regulation of product marketing and promotion.

In the United States, we sell primarily to pharmaceutical wholesale distributors. We utilize those wholesale distributors as the principal means of distributing our products to U.S. healthcare providers. In Europe, we sell principally to healthcare providers and/or pharmaceutical wholesale distributors depending on the distribution practice in each country. We monitor the financial condition of our larger customers, and we limit our credit exposure by setting credit limits and, for certain customers, may require letters of credit.

Our product sales to three large wholesalers, AmerisourceBergen Corporation, McKesson Corporation and Cardinal Health, Inc., each accounted for more than 10% of total revenues for each of the years ended December 31, 2013, 2012 and 2011. On a combined basis, these wholesalers accounted for approximately 93%, 94% and 90% of our gross product sales in the United States, respectively, and approximately 75%, 76% and 72% of our total worldwide gross revenues, respectively.

For financial information related to our one business segment, see Part IV — Consolidated Statements of Income, Consolidated Balance Sheets and Note 19, Segment information, to the Consolidated Financial Statements.

We market our principal products primarily in the United States in cancer care, inflammation, nephrology and bone disease. The following charts show our product sales by principal product and by geography for each of the years ended December 31, 2013, 2012 and 2011.



Neulasta® (pegfilgrastim)/NEUPOGEN®(filgrastim)

We market Neulasta®, a pegylated protein based on the filgrastim molecule, and NEUPOGEN ®, a recombinant-methionyl human granulocyte colony-stimulating factor (G-CSF), primarily in the United States and Europe. Neulasta ® was launched in 2002 and is indicated to decrease the incidence of infection associated with chemotherapy-induced febrile neutropenia in cancer patients with non-myeloid malignancies. NEUPOGEN ® was launched in 1991 and is approved for five different indications. It is used primarily for reducing the incidence of infection as manifested by febrile neutropenia for patients with non-myeloid malignancies undergoing myelosuppressive chemotherapy associated with a significant incidence of severe neutropenia with fever.

Enbrel® (etanercept)

We market ENBREL primarily in the United States. It was launched in 1998 and is used primarily in the approved indications for the treatment of adult patients with the following conditions:

- moderately to severely active rheumatoid arthritis,
- chronic moderate to severe plaque psoriasis patients who are candidates for systemic therapy or phototherapy, and
- active psoriatic arthritis.

The rights to market and sell ENBREL outside the United States and Canada are reserved to Pfizer.

ESAs (erythropoiesis-stimulating agents)

Our ESAs include both Aranesp® and EPOGEN®. Beginning in 2006, safety concerns contributed to regulatory and reimbursement changes impacting the way ESAs are used in clinical practice. This includes decreasing the number of patients treated with ESAs as well as the average dose and duration of ESA therapy. Certain of these developments have had a material adverse impact on both Aranesp® and EPOGEN® sales.

Aranesp® (darbepoetin alfa)

We market Aranesp® primarily in Europe and in the United States. It was launched in 2001 and is indicated for the treatment of anemia associated with chronic kidney disease (CKD) (in both patients on dialysis and patients not on dialysis) and the treatment of anemia due to concomitant myelosuppressive chemotherapy in patients with non-myeloid malignancies.

EPOGEN® (epoetin alfa)

We market EPOGEN® in the United States for dialysis patients. It was launched in 1989, and we market it for the approved indication to treat a lower-than-normal number of red blood cells (anemia) caused by CKD in patients on dialysis to lessen the need for red blood cell transfusions. The majority of our sales are to two large dialysis providers. We granted Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson (J&J) (which has assigned its rights under the Product License Agreement to their subsidiary, Janssen Biotech, Inc. (Janssen)), a license to commercialize recombinant human erythropoietin in the United States in all indications other than dialysis.

XGEVA®/Prolia® (denosumab)

We market XGEVA® and Prolia® primarily in the United States and Europe. Both products contain the same active ingredient but are approved for different indications, patient populations, doses and frequencies of administration.

XGEVA® was launched in the United States in 2010 and is indicated for the prevention of skeletal-related events (SREs) (pathological fracture, radiation to bone, spinal cord compression or surgery to bone) in patients with bone metastases from solid tumors. It is not indicated for the prevention of SREs in patients with multiple myeloma. XGEVA® was launched in Europe in 2011 and is indicated for the prevention of SREs in adults with bone metastases from solid tumors.

Prolia® was launched in the United States and Europe in 2010. In the United States, it has four different approved indications and is used primarily in the indication for the treatment of postmenopausal women with osteoporosis at high risk for fracture, defined as a history of osteoporotic fracture, or multiple risk factors for fracture, or patients who have failed or are intolerant to other available osteoporosis therapy. In Europe, Prolia ® is used primarily for the treatment of osteoporosis in postmenopausal women at increased risk of fractures.

Sensipar®/Mimpara® (cinacalcet)

We market cinacalcet as Sensipar® primarily in the United States and as Mimpara® primarily in Europe. It was launched in 2004 and is used primarily in the approved indication for the treatment of secondary hyperparathyroidism in CKD patients on dialysis.

Other Marketed Products

We market several other products including Nplate® (romiplostim) and Vectibix® (panitumumab).

Patents

The following table describes our outstanding material patents for the indicated product by territory, general subject matter and latest expiry date. One or more patents with the same or earlier expiry date may fall under the same "general subject matter" and are not separately listed.

Product	Territory	General Subject Matter	Expiration
Neulasta® (pegfilgrastim)	U.S.	Pegylated G-CSF	10/20/2015
	Europe	Pegylated G-CSF[1]	2/8/2015
Enbrel® (etanercept)	U.S.	Methods of treating psoriasis	8/13/2019
	U.S.	Aqueous formulation and methods of treatment using the formulation [2]	6/8/2023
	U.S.	Fusion protein, and pharmaceutical compositions	11/22/2028
	U.S.	DNA encoding fusion protein, and methods of making fusion protein	4/24/2029
Aranesp® (darbepoetin alfa)	U.S.	Glycosylation analogs of erythropoietin proteins	5/15/2024
	Europe	Glycosylation analogs of erythropoietin proteins [1]	8/16/2014
EPOGEN® (epoetin alfa)	U.S.	Pharmaceutical erythropoietin formulation with certain stabilizers	8/26/2014
	U.S.	Cells that make certain levels of erythropoietin	5/26/2015
Prolia®/ XGEVA® (denosumab)	U.S.	RANKL antibodies; and methods of use[3]	12/22/2017
	U.S.	Methods of treatment	6/25/2022
	U.S.	Nucleic acids encoding RANKL antibodies, and methods of producing RANKL antibodies	11/30/2023
	U.S.	RANKL antibodies including sequences	2/19/2025
	Europe	RANKL antibodies[1]	12/22/2017
	Europe	Medical use of RANKL antibodies[1]	4/15/2018
	Europe	RANKL antibodies including epitope binding	2/23/2021
	Europe	RANKL antibodies including sequences[1]	6/25/2022
Sensipar®/ Mimpara® (cinacalcet)	U.S.	Calcium receptor-active molecules including species	10/23/2015
	U.S.	Methods of treatment	12/14/2016
	U.S.	Calcium receptor-active molecules	3/8/2018
	Europe	Calcium receptor-active molecules[1]	10/23/2015
Vectibix® (panitumumab)	U.S.	Human monoclonal antibodies to epidermal growth factor receptor (EGFr)	4/8/2020
	Europe	Human monoclonal antibodies to EGFr[1]	5/5/2018
Nplate® (romiplostim)	U.S.	Thrombopoietic compounds	1/19/2022
	Europe	Thrombopoietic compounds[1]	10/22/2019
Kyprolis® (carfilzomib)	U.S.	Compositions, and methods of treatment[3]	4/14/2025
	Europe	Compositions	8/8/2025

[1] A European patent with this subject matter is also entitled to supplemental protection in one or more countries in Europe and the length of any such extension will vary by country. For example, supplementary protection certificates have been issued related to the indicated products for patents in at least the following countries:

- pegfilgrastim - France, Germany, Italy, Spain, and the United Kingdom, expiring in 2017
- darbepoetin alfa - France, Germany, Italy, Spain, and the United Kingdom, expiring in 2016
- denosumab - France, Italy and Spain , expiring in 2025
- cinacalcet - France, Germany, Italy, Spain, and the United Kingdom, expiring in 2019
- panitumumab - France, Germany, Italy, Spain, and the United Kingdom, expiring in 2022
- romiplostim - France, Italy, Spain, and the United Kingdom, expiring in 2024

[2] This formulation patent relates to the currently approved liquid formulation of ENBREL, which formulation accounts for the majority of ENBREL sales in the United States. However, ENBREL is also sold as an alternative lyophilized formulation that requires reconstituting before it can be administered to the patient.

[3] A patent with this subject matter may be entitled to patent term extension in the United States.

Our material U.S. patents for filgrastim (NEUPOGEN ®) expired in December 2013.

Competition

Certain of our marketed products face — and our product candidates, if approved, are also expected to face — substantial competition. Our products' competitive positions among other biological and pharmaceutical products may be based on, among other things, safety, efficacy, reliability, availability, patient convenience/delivery devices, price, reimbursement, timing of market entry and patent position and expirations.

Certain of the existing patents on our principal products have recently expired or will expire over the next few years, and we expect to face increasing competition thereafter, including from biosimilars. A biosimilar is another version of a biological product for which marketing approval is sought or has been obtained based on a demonstration that it is "biosimilar" to the original reference product. See Government Regulation. We may also compete against biosimilar or generic versions of our competitors' products. In the EU, we are facing increasing competition from biosimilars. In the United States after patent expiration, we expect to face greater competition than today, including from manufacturers with biosimilars approved in Europe, which may seek to obtain U.S. approval.

Some of our products compete with each other. For example, Aranesp® and EPOGEN® compete in the United States, primarily in the dialysis setting. Neulasta® competes with NEUPOGEN®, as Neulasta® is administered as a single dose per chemotherapy cycle while NEUPOGEN® requires more frequent dosing. NEUPOGEN® sales have been adversely impacted by conversion to Neulasta®, which we believe is substantially complete.

The introduction of new products, the development of new processes or technologies by competitors or the emergence of new information about existing products may result in increased competition for our marketed products, even for those protected by patents, or in a reduction of the price that we receive from selling our products. In addition, the development of new treatment options or standards of care may reduce the use of our products or may limit the utility and application of ongoing clinical trials for our product candidates. The following table reflects our significant competitors and is not exhaustive.

Product	Territory	Competitor Marketed Product	Competitors
Neulasta®/ NEUPOGEN®	U.S.	Granix®(1)	Teva Pharmaceutical Industries Ltd. (Teva)
	Europe	Lonquex®(2)	Teva
	Europe	Filgrastim biosimilars(3)	Various
ENBREL	U.S. & Canada	REMICADE®	Janssen/Merck & Company, Inc.
	U.S. & Canada	HUMIRA®	AbbVie Inc.
	U.S. & Canada	Stelara®(4)	Janssen
Aranesp®	U.S.	PROCRIT®(5)	Janssen
	Europe	EPREX®/ERYPO®	Janssen-Cilag
	Europe	Epoetin alfa biosimilars(3)	Various
	Europe	MIRCERA®(6)	F. Hoffmann-La Roche Ltd. (Roche)
XGEVA®	U.S. & Europe	Zometa®	Novartis AG (Novartis)
	U.S. & Europe	Zoledronate generics	Various
Prolia®	U.S. & Europe	Alendronate generics	Various
	U.S. & Europe	Evista®	Eli Lilly and Company (Eli Lilly)
	U.S. & Europe	Zoledronate generics	Various
Sensipar®(7)/ Mimpara®	U.S. & Europe	Active Vitamin D analogs	Various
Vectibix®	U.S. & Europe	Erbitux®	Eli Lilly/Bristol-Myers Squibb Company (BMS); Merck KGaA
	U.S. & Europe	Avastin®	Genentech, Inc.
Nplate®	U.S. & Europe	Promacta®/Revolade®	GlaxoSmithKline plc (GSK)
Kyprolis®	U.S.	Velcade®	Millennium Pharmaceuticals, Inc.
	U.S.	Revlimid®	Celgene Corporation
	U.S.	Pomalyst®	Celgene Corporation

(1) Granix® launched at the end of 2013 and may have a material adverse impact over time on sales of NEUPOGEN® and, to a lesser extent, Neulasta®.

(2) Lonquex® is a long-acting filgrastim product recently launched in Europe.

(3) Approved via the EU biosimilar regulatory pathway.

(4) Dermatology only.

(5) PROCRIT® competes with Aranesp® in the supportive cancer care and pre-dialysis settings.

(6) Competes with Aranesp® in the nephrology segment only.

(7) Teva and Barr Pharmaceuticals have received approval from the U.S. Food and Drug Administration (FDA) for generic versions of Sensipar ® that could compete with Sensipar® in the future. There is an injunction prohibiting them from commercializing in the United States until expiration of the patents.

We anticipate EPOGEN® and Aranesp® may begin to face competition during the second half of 2014 from the launch of MIRCERA ® in the United States. Pursuant to a December 2009 settlement agreement between Amgen and Roche, Roche is allowed to begin selling MIRCERA ® in the United States in mid-2014 under terms of a limited license agreement. MIRCERA ® has been approved by the FDA for the treatment of anemia associated with chronic renal failure in patients on and not on dialysis.

Reimbursement

Sales of our principal products are dependent on the availability and extent of coverage and reimbursement from third-party payers. In the United States, healthcare providers are reimbursed for covered services and products they use through Medicare, Medicaid and other government healthcare programs as well as through private payers. We are required to provide specified rebates or discounts to certain of these government funded programs. For many years, federal and state governments in the United States have pursued methods to reduce the cost of these programs. For example, in 2010 the United States enacted major healthcare reform legislation (known as the "Patient Protection and Affordable Care Act" or "ACA") that had significant impacts which include: an increase in the rebates we pay for our products that are covered and reimbursed by state Medicaid programs, a requirement to pay rebates on Medicaid managed care utilization, the expansion of entities eligible for discounts under the 340B Drug Program, and a new fee (the U.S. healthcare reform federal excise fee). Such changes have had, and are expected to continue to have, a material adverse impact on our business. At present, Medicare payment rates are affected by across-the-board federal budget cuts commonly referred to as "sequestration". Under sequestration, the Centers for Medicare & Medicaid Services (CMS), the federal agency responsible for administering Medicare and Medicaid, reduced Medicare payments to providers by 2% beginning in 2013. In addition, in the effort to contain the U.S. federal deficit, our industry could be considered a potential source of savings via legislative proposals that have been debated but not enacted. It remains uncertain as to what proposals, if any, may be included as part of future federal budget deficit reduction actions that would directly or indirectly affect us and our business.

Particular legislative proposals that would have a significant impact on Amgen include: changes to how the Medicare program covers and reimburses oral-only drugs for patients with End-Stage Renal Disease (ESRD) (including Sensipar ®) and changes in the payment rate or new rebate requirements for covered drugs (which could impact many of our principal products, including Aranesp ®, Neulasta®, NEUPOGEN®, Prolia® and XGEVA®).

Efforts are also being made in the private sector to reduce healthcare costs, notably by healthcare payers and providers, which have instituted various cost reduction and containment measures. We expect insurers and providers to continue efforts to reduce the cost and/or utilization of healthcare products, including our products.

Generally, in countries outside the United States, government-sponsored healthcare systems are the primary payers for drugs and biologics. With increased budgetary constraints, payers in many countries employ a variety of measures to exert downward price pressure. These measures can include mandatory price controls, price referencing, therapeutic reference pricing, increasing mandates or incentives for generic substitution and biosimilar usage, and government-mandated price cuts. In addition, healthcare reform and related legislative proposals in such countries as France, Germany and Poland, as well as austerity plans in a number of countries, including Spain, Greece, Italy, Ireland and Portugal, have targeted the pharmaceutical sector with multiple mechanisms to reduce government healthcare expenditures. We expect that countries will continue to take aggressive actions to reduce expenditures on drugs and biologics. Similarly, fiscal constraints may also impact the extent to which countries are willing to approve new innovative therapies and/or allow access to new technologies. For example, many Health Technology Assessment (HTA) organizations use formal economic metrics such as cost-effectiveness to determine coverage and reimbursement of new therapies, and these organizations are proliferating in established and emerging markets.

See Item 1A. Risk Factors — Our sales depend on coverage and reimbursement from third-party payers.

Manufacturing, Distribution and Raw Materials

Manufacturing

The products we manufacture include both biologics and small molecule drugs. The majority of our products are biologics which are produced in living systems and are inherently complex due to naturally-occurring molecular variations. Highly specialized knowledge and extensive process and product characterization are required to transform laboratory-scale processes into reproducible commercial manufacturing processes. For additional information regarding manufacturing facilities, see Item 2. Properties.

We perform most of our bulk manufacturing, formulation, fill and finish activities in our Puerto Rico facility and also conduct finish activities in the Netherlands. We also utilize third-party contract manufacturers:

- to manufacture Sensipar®/Mimpara®, except for certain fill and finish activities performed by us in Puerto Rico;
- to supplement commercial bulk manufacturing, as needed, for ENBREL, Prolia ®, XGEVA® and Vectibix®;
- to fill and finish certain portions of ENBREL; and
- to formulate, fill and finish Nplate®.

In addition, we utilize single-source third-party contract manufacturers for Kyprolis ®.

Clinical bulk, formulation, fill and finish manufacturing facilities are operated primarily in our Thousand Oaks, California, location. We also utilize third-party contract manufacturers for certain clinical products.

See Item 1A. Risk Factors for a discussion of the factors that could adversely impact our manufacturing operations and the global supply of our products.

Distribution

We operate distribution centers in the United States — principally in Kentucky and California — and the Netherlands for worldwide distribution of the majority of our commercial and clinical products. We also use third-party distributors to supplement distribution of our products in certain areas of the world.

Other

In addition to the manufacturing and distribution activities noted above, our operations in the United States, Puerto Rico and the Netherlands include key manufacturing support functions, including quality control, process development, procurement, production scheduling and warehousing. Certain of those manufacturing and distribution activities are highly regulated by the FDA as well as other international regulatory agencies. See Government Regulation — Regulation of Manufacturing Standards.

Manufacturing Initiatives

We have multiple ongoing initiatives that are designed to optimize our manufacturing network and/or mitigate manufacturing risks while continuing to ensure adequate supply of our commercial products. The facilities impacted by these initiatives will require qualification and licensure by various regulatory authorities. These initiatives include the construction of a formulation and fill facility at our Puerto Rico site; and as part of a risk mitigation strategy, we plan modification and expansion of our acquired formulation, fill and finish site in Ireland to manufacture our products.

In 2013, Amgen announced a planned expansion in Singapore. The facility will initially focus on expanding Amgen's capability to manufacture monoclonal antibodies while bringing new technology and innovation. Once completed, the facility will be fully reconfigurable, providing efficient manufacturing capabilities that will help ensure supply of our products to patients worldwide.

In addition to these initiatives, we have projects designed to operate our facilities at appropriate production capacity over the next few years, to further optimize manufacturing asset utilization, to continue our use of third-party contract manufacturers and to maintain a state of regulatory compliance. See Item 1A. Risk Factors — Manufacturing difficulties, disruptions or delays could limit supply of our products and limit our product sales.

Raw Materials and Medical Devices

Certain raw materials, medical devices and components necessary for the commercial and/or clinical manufacturing of our products are provided by and are the proprietary products of unaffiliated third-party suppliers, certain of which may be our only sources for such materials. We currently attempt to manage the risk associated with such suppliers by inventory management,

relationship management and evaluation of alternative sources when feasible. We also monitor the financial condition of certain suppliers and their ability to supply our needs. See Item 1A. Risk Factors — We rely on third-party suppliers for certain of our raw materials, medical devices and components.

We perform various procedures to assist in authenticating the source of raw materials, including intermediary materials used in the manufacture of our products, which include verification of the country of origin. These procedures are incorporated into the manufacturing processes we and our third-party contract manufacturers perform.

Government Regulation

Regulation by government authorities in the United States and other countries is a significant factor in the production and marketing of our products and our ongoing research and development (R&D) activities. In order to clinically test, manufacture and market products for therapeutic use, we must satisfy mandatory procedures and safety and effectiveness standards established by various regulatory bodies.

Regulation in the United States

In the United States, the Public Health Service Act, the Food, Drug, and Cosmetic Act (FDCA) and the regulations promulgated thereunder, as well as other federal and state statutes and regulations govern, among other things, the production, research, development, testing, manufacture, quality control, labeling, storage, record keeping, approval, advertising and promotion, and distribution of our products. Failure to comply with applicable regulatory requirements may subject us to administrative and/or judicially imposed sanctions. The sanctions could include the FDA's refusal to approve pending applications, withdrawals of approvals, delay or suspension of clinical trials, warning letters, product recalls, product seizures, total or partial suspension of our operations, injunctions, fines, civil penalties and/or criminal prosecution.

Clinical Development and Product Approval. Drug development in our industry is complex, challenging and risky; and failure rates are high. Product development cycles are very long - approximately 10 to 15 years from discovery to market. A potential new medicine must undergo many years of preclinical and clinical testing to establish its safety and efficacy for use in humans at appropriate dosing levels and with an acceptable benefit-risk profile.

After laboratory analysis and preclinical testing in animals, we file an Investigational New Drug Application (IND) with the FDA to begin human testing. Typically, we undertake an FDA-designated three-phase human clinical testing program.

- In phase 1, we conduct small clinical trials to investigate the safety and proper dose ranges of our product candidates in a small number of human subjects.
- In phase 2, we conduct clinical trials to investigate side effect profiles and the efficacy of our product candidates in a larger number of patients who have the disease or condition under study.
- In phase 3, we conduct clinical trials to investigate the safety and efficacy of our product candidates in a large number of patients who have the disease or condition under study.

The FDA monitors the progress of each trial conducted under an IND and may, at its discretion, re-evaluate, alter, suspend or terminate the testing based on the data accumulated to that point and the FDA's risk/benefit assessment with regard to the patients enrolled in the trial. The results of preclinical and clinical trials are submitted to the FDA in the form of a Biologics License Application (BLA) for biologic products or a New Drug Application for small molecule products. We cannot market or promote a new product until our marketing application has been approved by the FDA.

See Item 1A. Risk Factors for a discussion of the factors that could adversely impact our development of commercial products.

Post-approval Phase. After approval, we monitor adverse events reported following the use of our products through post marketing surveillance or studies, other research approaches and risk management activities. We report such events to the appropriate regulatory agencies as required per local regulations. We design and implement comprehensive proactive pharmacovigilance programs for all of our products to help ensure the detection, assessment and communication of adverse events that may be associated with the use of our products. We may also be required by regulatory agencies to conduct further clinical trials on our marketed products as a condition of their approval or to provide additional information on safety and efficacy. Failure to conduct such required trials in a timely manner may result in substantial civil or criminal penalties. Reported adverse events or data resulting from post-approval trials may result in additional limitations being placed on a product's use or on reimbursement provided by payers for our products, or withdrawal of the product from the market. The FDA has authority to mandate labeling changes to products at any point in a product's lifecycle based on new safety information or as part of an evolving label change to a particular class of products.

The FDA also has the authority, before or after approval, to require companies to implement a risk evaluation and mitigation strategy (REMS) for a product to ensure that the benefits of the drug outweigh the risks. Each REMS is unique and varies depending on the specific factors required. Failure to comply with a REMS may result in substantial civil or criminal penalties and can result in additional limitations being placed on a product's use or withdrawal of the product from the market. We currently have REMS for our ESAs, Prolia ® and Nplate®.

Approval of Biosimilars. The ACA authorizes the FDA to approve biosimilars via a separate, abbreviated pathway. The law establishes a period of 12 years of data exclusivity for reference products in order to preserve incentives for future innovation and outlines statutory criteria for science-based biosimilar approval standards that take into account patient safety considerations. Under this framework, data exclusivity protects the data in the innovator's regulatory application by prohibiting others, for a period of 12 years, from gaining FDA approval based in part on reliance on or reference to the innovator's data in their application to the FDA. The new law does not change the duration of patents granted on biologic products. In February 2012, the FDA released three draft guidance documents as part of the implementation of the abbreviated approval pathway for biosimilars and these have not yet been finalized. As of the end of 2013, no biosimilar applications have been approved by the FDA. The FDA has indicated that it is still evaluating a number of relevant issues, and additional guidance documents are expected to be released, including guidance on the criteria for interchangeability (which the FDA has indicated would be a "higher standard" than biosimilarity), naming, labeling and clinical pharmacology. In early February 2014, the FDA released its planned agenda for 2014, which included the possible publication of new draft guidance documents relating to biosimilar interchangeability, reference product exclusivity and biosimilars labeling.

Regulation of Product Marketing and Promotion. The FDA regulates the marketing and promotion of products. Our product promotion for approved product indications must comply with the statutory standards of the FDCA, and the FDA's implementing regulations and standards. The FDA's review of marketing and promotional activities encompasses, but is not limited to, direct-to-consumer advertising, healthcare provider-directed advertising and promotion, sales representative communications to healthcare professionals, promotional programming and promotional activities involving the Internet. The FDA may also review industry-sponsored scientific and educational activities. The FDA may take enforcement action against a company for promoting unapproved uses of a product or for other violations of its advertising and labeling laws and regulations. Enforcement action may include product seizures, injunctions, civil or criminal penalties or regulatory letters, which may require corrective advertising or other corrective communications to healthcare professionals. Failure to comply with the FDA's regulations also can result in adverse publicity or increased scrutiny of company activities by the U.S. Congress or other legislators.

Regulation of Manufacturing Standards. The FDA regulates and inspects equipment, facilities, laboratories and processes used in the manufacturing and testing of products prior to providing approval to market products. If after receiving approval from the FDA, we make a material change in manufacturing equipment, location or process, additional regulatory review may be required. We also must adhere to current Good Manufacturing Practice regulations and product-specific regulations enforced by the FDA through its facilities inspection program. The FDA conducts regular, periodic visits to re-inspect our equipment, facilities, laboratories and processes following an initial approval. If the FDA determines that we no longer comply with applicable regulations and conditions of approval, they may seek civil, criminal or administrative sanctions and/or remedies against us, including suspension of our manufacturing operations. Such issues may also delay the approval of new products undergoing FDA review.

Regulation of Combination Products. Combination products are defined by the FDA to include products comprised of two or more regulated components (e.g., a biologic and a device). Biologics and devices each have their own regulatory requirements, and combination products may have additional requirements. A number of our marketed products meet this definition and are regulated under this framework, and we expect that a number of our pipeline product candidates will be evaluated for regulatory approval under this framework as well.

Regulation Outside the United States

In the EU countries, Switzerland, Canada and Australia, regulatory requirements and approval processes are similar in principle to those in the United States. Additionally, depending on the type of drug for which approval is sought, there are currently two potential tracks for marketing approval in the EU, including a centralized procedure. In the centralized procedure, which is required of all products derived from biotechnology, a company submits a single marketing authorization application to the European Medicines Agency (EMA), which conducts a thorough product evaluation, drawing from its scientific resources across Europe. If the drug product is proven to fulfill the requirements for quality, safety and efficacy, the Committee for Medicinal Products for Human Use (CHMP) adopts a positive opinion, which is transmitted to the European Commission (EC) for final approval of the marketing authorization and commercialization following country-by-country reimbursement approval. While the EC generally follows the CHMP's opinion, it is not bound to do so.

In the EU, biosimilars have been approved under a specialized pathway of the centralized procedure. The pathway allows sponsors of a biosimilar to seek and obtain regulatory approval based in part on the clinical trial data of an originator product to which the biosimilar has been demonstrated to be "similar." In many cases, this allows biosimilars to be brought to market without conducting the full suite of clinical trials typically required of originators.

After marketing authorization is obtained, we and various other parties share pharmacovigilance responsibilities regarding the detection, assessment and prevention of adverse effects and other medicine-related problems. Regulatory authorities can demand that safety data or warnings be included on product labels and be provided to healthcare professionals, or recommend the temporary suspension or complete withdrawal of a product from the market.

Other countries such as Russia, Turkey and those in Latin America and the Middle East have a less comprehensive review process in terms of data requirements and for the most part rely on prior marketing approval from a foreign regulatory authority in the United States or EU. The regulatory process in these countries is often less well defined than in the United States and frequently includes manufacturing/testing facility inspections, testing of drug product upon importation and other domestic requirements.

Other Regulation

We are also subject to various laws pertaining to healthcare "fraud and abuse," including anti-kickback laws and false claims laws. Anti-kickback laws make it illegal to solicit, offer, receive or pay any remuneration in exchange for or to induce the referral of business, including the purchase or prescription of a particular drug that is reimbursed by a state or federal program. False claims laws prohibit knowingly and willingly presenting, or causing to be presented for payment to third-party payers (including Medicare and Medicaid) any claims for reimbursed drugs or services that are false or fraudulent, claims for items or services not provided as claimed or claims for medically unnecessary items or services. Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including fines and civil monetary penalties, as well as the possibility of exclusion from federal healthcare programs (including Medicare and Medicaid).

On December 19, 2012, Amgen announced that it had finalized a settlement agreement with the U.S. government and various other parties regarding allegations that Amgen's promotional, contracting, sales and marketing activities and arrangements caused the submission of various false claims under the Federal Civil False Claims Act and various State False Claims Acts. In connection with entering into the settlement agreement, Amgen also entered into a corporate integrity agreement with the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services that requires Amgen to maintain its corporate compliance program and to undertake a set of defined corporate integrity obligations for a period of five years. Due to the breadth of the statutory provisions and the absence of guidance in the form of regulations or court decisions addressing some of our practices, it is possible that in the future our practices might be further challenged under anti-kickback or similar laws.

We are also subject to regulation under the Occupational Safety and Health Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act and other current and potential future federal, state or local laws, rules and/or regulations. Our R&D activities involve the controlled use of hazardous materials, chemicals, biological materials and various radioactive compounds. We believe our procedures comply with the standards prescribed by federal, state or local laws, rules and/or regulations; however, the risk of injury or accidental contamination cannot be completely eliminated. While we are not required to do so, we strive to conduct our research and manufacturing activities in a manner that meets the intents and purposes of the National Institutes of Health Guidelines for Recombinant DNA Research.

Additionally, the U.S. Foreign Corrupt Practices Act (FCPA) prohibits U.S. corporations and their representatives from offering, promising, authorizing or making payments to any foreign government official, government staff member, political party or political candidate in an attempt to obtain or retain business abroad. The scope of the FCPA includes interactions with certain healthcare professionals in many countries. Other countries have enacted similar anti-corruption laws and/or regulations.

Our business has been and will continue to be subject to various other U.S. and foreign laws, rules and/or regulations.

Research and Development and Selected Product Candidates

We focus our R&D on novel human therapeutics for the treatment of grievous illness in the areas of oncology, hematology, inflammation, bone health, nephrology, cardiovascular and general medicine, which includes neuroscience. We take a modality-independent approach to R&D with a focus on biologics. Our discovery research programs may therefore yield targets that lead to the development of human therapeutics delivered as large molecules, small molecules, or other combination or new modalities. For the years ended December 31, 2013, 2012 and 2011, our R&D expenses were $4.1 billion, $3.4 billion and $3.2 billion, respectively.

We have major R&D centers in several locations throughout the United States and in the United Kingdom, as well as smaller research centers and development facilities globally. See Item 2. Properties.

We conduct clinical trial activities using both our internal staff and third-party contract clinical trial service providers. To increase the number of patients available for enrollment in our clinical trials, we have opened clinical sites and will continue to open clinical sites and to enroll patients in a number of geographic locations. See Government Regulation — Clinical Development and Product Approval for a discussion of government regulation over clinical development. Also see Item 1A. Risk Factors — We must conduct clinical trials in humans before we can commercialize and sell any of our product candidates or existing products for new indications.

Some of our competitors are actively engaged in R&D in areas where we have products or where we are developing product candidates or new indications for existing products. For example, we compete with other clinical trials for eligible patients, which may limit the number of available patients who meet the criteria for certain clinical trials. The competitive marketplace for our product candidates is significantly dependent on the timing of entry into the market. Early entry may have important advantages in gaining product acceptance, thereby contributing to the product's eventual success and profitability. Accordingly, we expect that in some cases, the relative speed with which we can develop products, complete clinical testing, receive regulatory approval and supply commercial quantities of the product to the market will be important to our competitive position.

In addition to product candidates and marketed products generated from our internal R&D efforts, we acquire companies, acquire and license certain product and R&D technology rights and establish R&D arrangements with third parties to enhance our strategic position within our industry by strengthening and diversifying our R&D capabilities, product pipeline and marketed product base. In pursuing these R&D arrangements and licensing or acquisition activities, we face competition from other pharmaceutical and biotechnology companies that also seek to license or acquire technologies, product candidates or marketed products from those entities performing the R&D.

The following table is a selection of certain of our product candidates by phase of development in our therapeutic areas of focus as of February 17, 2014, unless otherwise indicated. Additional product candidate information can be found on our website at http://www.amgen.com. The website address is not intended to function as a hyperlink, and the information contained on our website is not intended to be a part of this filing. The information in this section does not include other, non-registrational clinical trials that we may conduct for purposes other than for submission to regulatory agencies for their approval of a new product indication. We may conduct non-registrational clinical trials for various reasons including to evaluate real-world outcomes or to collect additional safety information with the use of our products. In addition, the table does not include the biosimilar products we are developing, which are discussed later in this section.

Molecule	Disease/Condition
Phase 3 Programs	
Aranesp®	Myelodysplastic syndromes
Blinatumomab	Acute lymphoblastic leukemia (ALL)
Brodalumab	Psoriasis
Evolocumab (AMG 145)	Dyslipidemia
Kyprolis®*	Multiple myeloma
Prolia®	Male osteoporosis (EU only); Glucocorticoid-induced osteoporosis
Rilotumumab	Gastric cancer
Romosozumab	Postmenopausal osteoporosis (PMO)
Sensipar®/ Mimpara®	Post renal transplant
Talimogene laherparepvec	Melanoma
Trebananib	Ovarian cancer
Vectibix®	Metastatic colorectal cancer (mCRC) (US only)
Velcalcetide (AMG 416)	Secondary hyperparathyroidism in patients with CKD receiving dialysis
XGEVA®	Delay or prevention of bone metastases in breast cancer; Cancer-related bone damage in patients with multiple myeloma
Phase 2 Programs	
AMG 139	Inflammatory diseases
AMG 181	Inflammatory bowel diseases
AMG 334	Migraine
Blinatumomab	Non-Hodgkin's Lymphoma (NHL)
Brodalumab	Inflammatory diseases
Kyprolis®*	Small-cell lung cancer
Omecamtiv mecarbil	Heart failure
Oprozomib*	Hematologic malignancies
XGEVA®	First-line metastatic non-small cell lung cancer; Hypercalcemia of malignancy
Phase 1 Programs	
AMG 110	Various cancer types
AMG 157	Asthma
AMG 172	Various cancer types
AMG 208	Various cancer types
AMG 232	Various cancer types
AMG 282	Asthma
AMG 319	Hematologic malignancies
AMG 333	Migraine
AMG 337	Various cancer types
AMG 357	Autoimmune diseases
AMG 557	Systemic lupus erythematosus
AMG 581	Schizophrenia
AMG 595	Glioblastoma
AMG 729	Autoimmune diseases
AMG 780	Various cancer types
AMG 811	Systemic lupus erythematosus
AMG 820	Various cancer types
AMG 876	Type 2 diabetes
AMG 900	Various cancer types
Oprozomib*	Solid tumors

* Being developed by Onyx, an Amgen subsidiary

Phase 3	clinical trials investigate the safety and efficacy of a product candidate in a large number of patients who have the disease or condition under study.
Phase 2	clinical trials investigate side effect profiles and efficacy of a product candidate in a large number of patients who have the disease or condition under study.
Phase 1	clinical trials investigate safety and proper dose ranges of a product candidate in a small number of human subjects.

Phase 3 Product Candidate Program Changes

As of February 11, 2013, we had 14 phase 3 programs. As of February 17, 2014, we had 16 phase 3 programs, as two programs had advanced into phase 3 trials, one program concluded and one program was added as a result of our Onyx acquisition. These changes are set forth in the following table:

Molecule	Disease / Condition	Program Change
Blinatumomab	ALL	Advanced to phase 3
Velcalcetide (AMG 416)	Secondary hyperparathyroidism in patients with CKD receiving dialysis	Advanced to phase 3
XGEVA®	Delay or prevention of bone metastases in prostate cancer (EU only)	Concluded - No longer pursing our marketing application with the EMA
Kyprolis®	Multiple myeloma	Added through acquisition of Onyx

Phase 3 Product Candidate Patent Information

The following table describes our outstanding composition of matter patents that have issued thus far for our product candidates in phase 3 development that have yet to be approved for any indication. Patents for products already approved for one or more indications but currently undergoing phase 3 clinical trials for additional indications are previously described. See Marketing, Distribution and Selected Marketed Products — Patents.

Molecule	Territory	General Subject Matter	Estimated Expiration*
Blinatumomab	U.S.	Polypeptides	2019
	Europe	Polypeptides	2019
Brodalumab	U.S.	Polynucleotides and polypeptides	2027
Evolocumab (AMG 145)	U.S.	Polypeptides	2029
Rilotumumab	U.S.	Polypeptides	2028
Romosozumab	U.S.	Polypeptides	2026
	Europe	Polypeptides	2026
Talimogene laherparepvec	U.S.	Modified HSV-1 compounds and strains	2021
	Europe	Modified HSV-1 compounds and strains	2021
Trebananib	U.S.	Polynucleotides and polypeptides	2025
	Europe	Polynucleotides and polypeptides	2022
Velcalcetide (AMG 416)	U.S.	Compound	2030

* Patent expiration estimates are based on issued patents which may be challenged, invalidated, or circumvented by competitors. The patent expiration estimates do not include any term adjustments, extensions or supplemental protection certificates that may be obtained in the future and extend these dates. Corresponding patent applications are pending in other jurisdictions. Additional patents may be filed or issued and may provide additional exclusivity for the product candidate or its use.

Phase 3 and 2 Program Descriptions

The following text provides additional information about selected product candidates that have advanced into human clinical trials.

Aranesp®

Aranesp® is a recombinant human protein agonist of the erythropoietin receptor.

The phase 3 study of Aranesp® for the treatment of low risk myelodysplastic syndromes is ongoing.

Blinatumomab

Blinatumomab is an anti-CD19 x anti-CD3 (BiTE®) bispecific antibody. It is being investigated as a cancer treatment.

A phase 3 study in adult patients with relapsed/refractory of ALL is ongoing. Phase 2 studies in adult patients with relapsed/refractory and minimal residual disease of ALL and a phase 2 study in adult patients with NHL are ongoing.

Brodalumab

Brodalumab is a human monoclonal antibody that inhibits the interleukin-17 receptor. It is being investigated as a treatment for a variety of inflammatory diseases. Brodalumab is being jointly developed in collaboration with AstraZeneca Plc. (AstraZeneca).

In 2013, phase 3 studies evaluating brodalumab for the treatment of psoriasis completed enrollment and are ongoing. We completed our phase 2 study in psoriatic arthritis in 2012. A phase 2 study for the treatment of asthma is ongoing.

Denosumab

Denosumab is a human monoclonal antibody that specifically targets a ligand known as RANKL (that binds to a receptor known as RANK) which is a key mediator of osteoclast formation, function, and survival. It is being investigated across a range of conditions including osteoporosis, treatment-induced bone loss and numerous tumor types across the spectrum of cancer-related bone diseases, including hypercalcemia of malignancy.

Prolia®

In August 2013, we submitted a marketing application to the EMA for Prolia® for the treatment of osteoporosis in men at increased risk of fracture.

A phase 3 study of Prolia® for the treatment of glucocorticoid-induced osteoporosis is ongoing.

XGEVA®

In 2013, XGEVA® was approved by the FDA for the treatment of giant cell tumor of bone in the United States.

Phase 3 studies for the delay or prevention of bone metastases in patients with adjuvant breast cancer and prevention of SRE in patients with multiple myeloma are ongoing. A phase 2 study for hypercalcemia of malignancy was completed in 2013. A phase 2 study in non-small cell lung cancer is ongoing.

We decided not to pursue our marketing application to the EMA for XGEVA® to treat men with castration-resistant prostate cancer at high risk of developing bone metastases.

Evolocumab

Evolocumab is a human monoclonal antibody that inhibits Proprotein Convertase Subtilisin/Kexin Type 9 (PCSK9). It is being investigated as a treatment for dyslipidemia.

In December 2013 and January 2014, we announced results from five phase 3 lipid lowering clinical studies evaluating evolocumab as a monotherapy, in combination with statin therapy, in heterozygous familial hypercholesterolemia, in statin-intolerant subjects, and in combination with optimized lipid lowering therapy in a 52 week safety and efficacy study. All five of these studies met their primary endpoints.

In a separate phase 3 study of our devices for use in combination with evolocumab, 95 percent or greater of the 164 patients enrolled were able to self-administer at least one full home administration of evolocumab 420 mg subcutaneously by one injection with an automated mini-doser or by three injections with a standard spring-based autoinjector. Reductions in LDL-C were comparable with both devices.

Additional phase 3 studies to evaluate evolocumab for cardiovascular outcomes, in homozygous familial hypercholesterolemia, in statin-intolerant subjects, and with intravascular ultrasound are ongoing. Discussions are ongoing regarding timing for filing with various regulatory authorities for evolocumab. In the United States, for example, the timing for filing will depend on our having achieved appropriate progress in our ongoing outcomes study.

Rilotumumab

Rilotumumab is a human monoclonal antibody that inhibits the action of hepatocyte growth factor/scatter factor. It is being investigated as a cancer treatment.

A phase 3 study for the treatment of gastric cancer is ongoing.

Romosozumab

Romosozumab is a humanized monoclonal antibody that inhibits the action of sclerostin. Romosozumab is being developed in collaboration with UCB for PMO.

Phase 3 studies for the treatment of PMO in women are ongoing. In January 2014, we announced that we completed enrollment in the phase 3 placebo-controlled registrational study in women with PMO.

Sensipar®/Mimpara®

Sensipar®/Mimpara® is an orally-administered small molecule that lowers PTH levels in blood by increasing sensitivity of the calcium-sensing receptor (CaSR) to extracellular calcium. It is being evaluated in post renal transplant patients.

Talimogene laherparepvec

Talimogene laherparepvec is an oncolytic immunotherapy derived from HSV-1. It is being investigated as a cancer treatment.

In March 2013, we announced results of the primary endpoint of DRR from a phase 3 study evaluating talimogene laherparepvec in metastatic melanoma. The primary analysis of OS, a key secondary endpoint of this study, is event driven and has not yet occurred. This phase 3 study is ongoing.

Trebananib

Trebananib is a peptibody that inhibits the interaction between the endothelial cell-selective Tie2 receptor and its ligands Ang1 and Ang2. It is being investigated as a cancer treatment.

In June 2013, we announced results of the primary analysis of PFS from a phase 3 study evaluating trebananib plus paclitaxel versus placebo plus paclitaxel in recurrent ovarian cancer patients. The study in recurrent ovarian cancer and another phase 3 study evaluating trebananib in first-line setting of ovarian cancer are ongoing.

We discontinued enrollment in our phase 3 study of trebananib in combination with DOXIL ® (doxorubicin HCl liposome injection) in the setting of recurrent ovarian carcinoma due to ongoing DOXIL ® supply issues.

Vectibix®

Vectibix® is a human monoclonal antibody antagonist of the EGFr pathway. It is being investigated as a cancer treatment.

In 2013, we resubmitted our applications to the FDA for Vectibix ® for first-line in KRAS WT metastatic colorectal cancer and conversion from accelerated approval to full approval for third-line in KRAS WT metastatic colorectal cancer monotherapy.

Velcalcetide

Velcalcetide is a peptide agonist of the human cell surface CaSR. It is being investigated as a treatment for secondary hyperparathyroidism in patients with CKD receiving dialysis, with phase 3 studies ongoing.

AMG 139

AMG 139 is a human monoclonal antibody that inhibits the action of IL-23. It is being investigated as a treatment for Crohn’s disease, with a phase 2 study ongoing. AMG 139 is being jointly developed in collaboration with AstraZeneca.

AMG 181

AMG 181 is a human monoclonal antibody that inhibits the action of alpha4/beta7. It is being investigated as a treatment for ulcerative colitis and Crohn's disease, with phase 2 studies ongoing. AMG 181 is being jointly developed in collaboration with AstraZeneca.

AMG 334

AMG 334 is a human monoclonal antibody that inhibits the receptor for Calcitonin Gene-Related Peptide. It is being investigated for the prevention of migraine, with a phase 2 study ongoing.

Omecamtiv mecarbil

Omecamtiv mecarbil is a small molecule activator of cardiac myosin. It is being investigated for the treatment of heart failure. We are developing this product in collaboration with Cytokinetics, Inc.

In September 2013, we announced results of a phase 2 study of an intravenous formulation of omecamtiv mecarbil in patients with left ventricular systolic dysfunction who were hospitalized with acute heart failure. A phase 2 dose escalation study to select and evaluate an oral modified release formulation of omecamtiv mecarbil in subjects with heart failure and left ventricular systolic dysfunction is ongoing.

Onyx Pharmaceuticals

Kyprolis®

Kyprolis® is a novel proteasome inhibitor. It is being investigated as a treatment for patients with multiple myeloma and small-cell lung cancer.

Phase 3 studies in combination with lenalidomide and dexamethasone compared to lenalidomide and dexamethasone in relapsed multiple myeloma; as monotherapy compared to best supportive care in relapsed and refractory multiple myeloma; in combination with dexamethasone compared to bortezomib in combination with dexamethasone in relapsed multiple myeloma; and in combination with melphalan and prednisone compared to bortezomib, melphalan and prednisone in newly diagnosed multiple myeloma are ongoing.

Oprozomib

Oprozomib is an oral proteasome inhibitor. It is being investigated for the treatment of hematologic malignancies including multiple myeloma, with phase 1b/2 studies ongoing.

Amgen Development of Biosimilars

As previously announced, we are collaborating with Actavis, Inc. to develop and commercialize, on a worldwide basis, four oncology antibody biosimilar medicines. The products our collaboration is pursuing include biosimilar versions of bevacizumab (Avastin ®), trastuzumab (Herceptin®), rituximab (Rituxan®/Mabthera®) and cetuximab (Erbitux®).

We are also working to develop biosimilar versions of adalimumab (HUMIRA ®) and infliximab (REMICADE®).

Our biosimilar product candidates are in varying stages of regulatory development. We expect that any revenue contribution from these biosimilar programs, if successful, would not occur for a number of years. We have biosimilar product candidates of bevacizumab, adalimumab and trastuzumab, that have pivotal studies ongoing, each of which commenced in 2013.

Business Relationships

From time to time, we enter into business relationships, including joint ventures and collaborative arrangements, for the R&D, manufacture and/or commercialization of products and/or product candidates. In addition, we also acquire product and R&D technology rights and establish R&D collaborations with third parties to enhance our strategic position within our industry by strengthening and diversifying our R&D capabilities, product pipeline and marketed product base. These arrangements generally provide for non-refundable, upfront license fees; development and commercial performance milestone payments; cost sharing; royalty payments and/or profit sharing. The activities under these collaboration agreements are performed with no guarantee of either technological or commercial success, and each is unique in nature.

Trade secret protection for our unpatented confidential and proprietary information is important to us. To protect our trade secrets, we generally require counterparties to execute confidentiality agreements upon the commencement of the business relationship with us. However, others could either develop independently the same or similar information or unlawfully obtain access to our information.

Kirin-Amgen, Inc.

Kirin-Amgen, Inc. (K-A) is a 50-50 joint venture with Kirin Holdings Company, Limited (Kirin). K-A develops and then out-licenses to third parties certain product rights which have been transferred to this joint venture from Amgen and Kirin.

K-A has given us exclusive licenses to manufacture and market: (i) G-CSF and pegfilgrastim in the United States, Europe, Canada and Australia; (ii) darbepoetin alfa, romiplostim and brodalumab in the United States, Europe, Canada, Australia, New Zealand, Mexico, all Central and South American countries and certain countries in Central Asia, Africa and the Middle East; and (iii) recombinant human erythropoietin in the United States. We currently market pegfilgrastim, G-CSF, darbepoetin alfa, recombinant human erythropoietin and romiplostim under the brand names Neulasta ®, NEUPOGEN®/GRANULOKINE®, Aranesp®, EPOGEN® and Nplate®, respectively. Under these agreements, we pay K-A royalties based on product sales. In addition, we also receive payments from K-A for milestones earned and for conducting certain R&D activities on its behalf. See Note 7, Related party transactions, to the Consolidated Financial Statements.

K-A has also given Kirin exclusive licenses to manufacture and market: (i) G-CSF and pegfilgrastim in Japan, Taiwan and South Korea; (ii) darbepoetin alfa, romiplostim and brodalumab in Japan, China, Taiwan, South Korea and in certain other countries and/or regions in Asia; and (iii) recombinant human erythropoietin in Japan. K-A also gave Kirin and Amgen co-exclusive licenses to manufacture and market G-CSF, pegfilgrastim and recombinant human erythropoietin in China, which Amgen subsequently assigned to Kirin, and as a result, Kirin now exclusively manufactures and markets G-CSF and recombinant human erythropoietin in China. Kirin markets G-CSF, pegfilgrastim, darbepoetin alfa, romiplostim and recombinant human erythropoietin under the brand names GRAN®/Grasin®, Neulasta®, NESP®, ROMIPLATE® and ESPO®, respectively. Under these agreements, Kirin pays K-A royalties based on product sales. In addition, Kirin also receives payments from K-A for conducting certain R&D activities on its behalf.

K-A has also given J&J exclusive licenses to manufacture and market recombinant human erythropoietin for all geographic areas of the world outside the United States, China and Japan. Under this agreement, J&J pays royalties to K-A based on product sales. K-A gave Roche exclusive licenses to market filgrastim and pegfilgrastim in all territories not licensed to Amgen and Kirin. In October 2013, we entered into an agreement to acquire Roche's licenses to market filgrastim and pegfilgrastim effective January 1, 2014.

Pfizer Inc.

The co-promotion term of our ENBREL collaboration agreement with Pfizer in the United States and Canada expired on October 31, 2013. We now have full ownership of ENBREL promotional rights in the United States and Canada while the rights to market ENBREL outside the United States and Canada are reserved to Pfizer. Under the collaboration agreement, Amgen and Pfizer shared in the agreed-upon selling and marketing expenses approved by a joint committee. We paid Pfizer a percentage of annual gross profits on our ENBREL sales in the United States and Canada on a scale that increased with gross profits; however, we maintained a majority share of ENBREL profits. Upon expiration of the co-promotion term, we are now required to pay Pfizer residual royalties based on a declining percentage of annual net ENBREL sales in the United States and Canada for three years, ranging from 12% to 10%. The amounts of such payments are anticipated to be significantly less than what would be owed based on the terms of the previous ENBREL profit share. Effective November 1, 2016, there will be no further royalty payments.

Glaxo Group Limited

We are in a collaboration with Glaxo Group Limited (Glaxo), a wholly owned subsidiary of GSK, for the commercialization of denosumab for osteoporosis indications in Europe, Australia, New Zealand and Mexico (the Primary Territories). We have retained the rights to commercialize denosumab for all indications in the United States and Canada and for oncology indications in the Primary Territories. Under a related agreement, Glaxo will commercialize denosumab for all indications in countries, excluding Japan, where we did not have a commercial presence at the commencement of the agreement, including China, Brazil, India, Taiwan and South Korea (the Expansion Territories). In the Expansion Territories, Glaxo is responsible for all development and commercialization costs and will purchase denosumab from us to meet demand. We have the option of expanding our role in the commercialization of denosumab in the Primary Territories and certain of the Expansion Territories. In the Primary Territories, we share equally in the commercialization profits and losses related to the collaboration after accounting for expenses, including an amount payable to us in recognition of our discovery and development of denosumab. Glaxo is also responsible for bearing a portion of the cost of certain specified development activities in the Primary Territories.

The collaboration agreement with Glaxo for the Primary Territories will expire in 2022 and the related agreement for the Expansion Territories will expire in 2024, unless either agreement is terminated earlier in accordance with its terms.

Bayer HealthCare Pharmaceuticals Inc.

As a result of our acquisition of Onyx, we are now party to a collaboration with Bayer to jointly develop and commercialize Nexavar® worldwide, except in Japan. The rights to develop and market Nexavar® in Japan are reserved to Bayer. Under the agreements, we are currently funding 50% of mutually agreed R&D costs. In the United States we co-promote Nexavar® with Bayer and share equally in the profits or losses of Nexavar®. Outside of the United States, excluding Japan, Bayer manages all commercialization activities and incurs all of the sales and marketing expenditures, and we reimburse Bayer for half of those expenditures. In all countries outside of the United States, except Japan, we receive 50% of net profits on sales of Nexavar® after deducting certain Bayer-related costs.

In addition, as part of the acquisition we acquired the right to receive a 20% royalty on Stivarga® global net sales from Bayer. Bayer is responsible, at its sole cost and expense, for the development and commercialization of Stivarga® worldwide.

AstraZeneca Plc.

We are in a collaboration with AstraZeneca to jointly develop and commercialize certain monoclonal antibodies from Amgen's clinical inflammation portfolio, including brodalumab, AMG 139, AMG 157, AMG 181 and AMG 557. The agreement covers the worldwide development and commercialization of these antibodies, except for certain Asian countries for brodalumab and Japan for AMG 557, which are licensed to other third parties.

Under the terms of the agreement, approximately 65% of related development costs for the 2012-2014 periods will be funded by AstraZeneca; thereafter, the companies will share costs equally. If approved for sale, Amgen would receive a low-single-digit royalty rate for brodalumab and a mid-single-digit royalty rate for the rest of the portfolio, after which the worldwide commercialization profits and losses related to the collaboration products would be shared equally.

UCB

We are in a collaboration with UCB for the development and commercialization of romosozumab. We have the rights to commercialize romosozumab for all indications in the United States, Canada, Mexico and Japan. UCB has the rights for all EU members at the time of first regulatory approval, Australia and New Zealand. Prior to commercialization, countries that have not been initially designated will be designated to Amgen or UCB in accordance with the terms of the agreement.

Generally, development costs are shared equally and we will share equally in the worldwide commercialization profits and losses related to the collaboration after accounting for expenses.

DaVita Inc.

We are in a seven-year supply agreement with DaVita that commenced January 1, 2012. Pursuant to this agreement, we will supply EPOGEN ® in amounts necessary to meet no less than 90% of DaVita's and its affiliates' requirements for ESAs used in providing dialysis services in the United States and Puerto Rico. The agreement may be terminated by either party before expiration of its term in the event of certain breaches of the agreement by the other party.

Human Resources

As of December 31, 2013, Amgen had approximately 20,000 staff members. We consider our staff relations to be good.

Executive Officers of the Registrant

The executive officers of the Company as of February 7, 2014 are set forth below. Mr. Jonathan M. Peacock ceased his service as the Company’s Executive Vice President and Chief Financial Officer on January 10, 2014.

Mr. Robert A. Bradway, age 51, has served as a director of the Company since October 2011 and Chairman of the Board of Directors since January 1, 2013. Mr. Bradway has been the Company’s President since May 2010 and Chief Executive Officer since May 2012. From May 2010 to May 2012, Mr. Bradway served as the Company’s President and Chief Operating Officer. Mr. Bradway joined the Company in 2006 as Vice President, Operations Strategy and served as Executive Vice President and Chief Financial Officer from April 2007 to May 2010. Prior to joining the Company, he was a Managing Director at Morgan Stanley in London where he had responsibility for the firm’s banking department and corporate finance activities in Europe and focused on healthcare.

Mr. Madhavan (“Madhu”) Balachandran, age 63, became Executive Vice President, Operations in August 2012. Mr. Balachandran joined the Company in 1997 and has held leadership positions in engineering, information systems and operations. From October 2007 to August 2012, Mr. Balachandran was Senior Vice President, Manufacturing. From February 2007 to October 2007, Mr. Balachandran was Vice President, Site Operations. From May 2002 to February 2007, Mr. Balachandran was Vice President, Puerto Rico Operations. Prior to 2002, Mr. Balachandran served as Associate Director Capital Projects before his promotion to Director Engineering and then to Vice President, Information Management. Previously, Mr. Balachandran served as Vice President, Engineering at Burroughs Wellcome & Company.

Dr. Sean E. Harper, age 51, became Executive Vice President, Research and Development in February 2012. Dr. Harper joined the Company in 2002, and has held leadership roles in early development, medical sciences and global regulatory and safety. Dr. Harper served as Senior Vice President, Global Development and Corporate Chief Medical Officer from March 2007 to February 2012. Prior to joining the Company, Dr. Harper worked for five years at Merck Research Laboratories.

Mr. Anthony C. Hooper, age 59, became Executive Vice President, Global Commercial Operations in October 2011. From March 2010 to October 2011, Mr. Hooper was Senior Vice President, Commercial Operations and President, U.S., Japan and Intercontinental of BMS. From January 2009 to March 2010, Mr. Hooper was President, Americas of BMS. From January 2004 to January 2009, Mr. Hooper was President, U.S. Pharmaceuticals, Worldwide Pharmaceuticals Group, a division of BMS. Prior to this, Mr. Hooper held various senior leadership positions at BMS. In his roles at BMS, Mr. Hooper led commercial operations

in mature and emerging markets. Prior to joining BMS, Mr. Hooper was Assistant Vice President of Global Marketing for Wyeth Laboratories.

Mr. Michael A. Kelly, age 57, became Acting Chief Financial Officer in January 2014. Before assuming this role, Mr. Kelly held a number of roles at the Company. From October 2013 to January 2014, Mr. Kelly served as Vice President, Commercial Operations. Mr. Kelly has also served as Vice President, Finance, Amgen-Astellas Joint Venture Lead from January 2013 to October 2013, and as Vice President, Finance & Chief Financial Officer International Commercial Operations from September 2010 to January 2013. Mr. Kelly served as Acting Chief Financial Officer from May 2010 to September 2010, as Vice President, Corporate Planning & Control from May 2007 to May 2010 and as Chief Accounting Officer from August 2005 to September 2010. From 2003 to August 2005, Mr. Kelly served as Vice President, Finance for Process Development, Operations and Quality. Prior to joining the Company in 2003, Mr. Kelly was Vice President, Finance and Chief Financial Officer at Tanox, Inc., served as corporate controller at Biogen, Inc. and held positions of increasing responsibility in finance at Monsanto Life Sciences Company, including Chief Financial Officer of its NutraSweet Company subsidiary.

Mr. Brian McNamee, age 57, became Executive Vice President, Full Potential Initiatives in October 2013. Mr. McNamee joined the Company in June 2001 as Senior Vice President, Human Resources. From November 1999 to June 2001, Mr. McNamee served as Vice President of Human Resources at Dell Computer Corp. From 1998 to 1999, Mr. McNamee served as Senior Vice President, Human Resources for the National Broadcasting Corporation, a division of General Electric Company. From July 1988 to November 1999, Mr. McNamee held human resources positions at General Electric.

Ms. Cynthia M. Patton, age 52, became Senior Vice President and Chief Compliance Officer in October 2012. Ms. Patton joined the Company in 2005. From July 2005 to September 2010, Ms. Patton was Associate General Counsel. From September 2010 to October 2012, Ms. Patton was Vice President, Law. Previously, Ms. Patton served as Senior Vice President, General Counsel and Secretary of SCAN Health Plan from 1999 to 2005.

Mr. David J. Scott, age 61, became Senior Vice President, General Counsel and Secretary in March 2004. From May 1999 to February 2004, Mr. Scott served as Senior Vice President and General Counsel of Medtronic, Inc. and also as Secretary from January 2000. From December 1997 to April 1999, Mr. Scott served as General Counsel of London-based United Distillers & Vintners. Mr. Scott also served in executive roles at Grand Metropolitan plc and RJR Nabisco, Inc., and was an attorney in private practice.

Dr. Stuart A. Tross, age 47, became Senior Vice President, Human Resources in October 2013. Dr. Tross joined the Company in April 2006 as Vice President, Human Resources. Prior to joining Amgen, from November 1998 to April 2006, Dr. Tross served in a series of roles for BMS, with his last position being Vice President and Global Head of Human Resources of Mead Johnson Nutrition. Prior to joining BMS, Dr. Tross was a management consultant for Towers Perrin.

Geographic Area Financial Information

For financial information concerning the geographic areas in which we operate, see Note 19, Segment information — Geographic information, to the Consolidated Financial Statements.

Investor Information

Financial and other information about us is available on our website at http://www.amgen.com. We make available on our website, free of charge, copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after filing or submitting such material electronically or otherwise furnishing it to the U.S. Securities and Exchange Commission (SEC). In addition, we have previously filed registration statements and other documents with the SEC. Any document we file may be inspected, without charge, at the SEC's public reference room at 100 F Street NE, Washington, DC 20549, or at the SEC's internet address at http://www.sec.gov. These website addresses are not intended to function as hyperlinks, and the information contained in our website and in the SEC's website is not intended to be a part of this filing. Information related to the operation of the SEC's public reference room may be obtained by calling the SEC at 800-SEC-0330 (800-732-0330).

Item 1A. RISK FACTORS

This report and other documents we file with the SEC contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, our future performance, our business or others on our behalf, our beliefs and our management's assumptions. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. You should carefully consider the risks and uncertainties facing our business. The risks described below are not the only ones facing us. Our business is also subject to the risks that affect many other companies, such as employment relations, general economic conditions, geopolitical events and international operations. Further, additional risks not currently known to us or that we currently believe are immaterial may in the future materially and adversely affect our business, operations, liquidity and stock price.

Our current products and products in development cannot be sold if we do not maintain or gain regulatory approval.

Our business is subject to extensive regulation by numerous state and federal governmental authorities in the United States, including the FDA, and by foreign regulatory authorities, including the EMA. We are required in the United States and in foreign countries to obtain approval from regulatory authorities before we can manufacture, market and sell our products. Once approved, the FDA and other U.S. and foreign regulatory agencies have substantial authority to require additional testing, perform inspections, change product labeling or mandate withdrawals of our products. Failure to comply with applicable regulatory requirements may subject us to administrative and/or judicially imposed sanctions. The sanctions could include the FDA's refusal to approve pending applications, withdrawals of approvals, delay or suspension of clinical trials, warning letters, product recalls, product seizures, total or partial suspension of our operations, injunctions, fines, civil penalties and/or criminal prosecution. For example, we received a warning letter from the FDA dated January 27, 2014, describing issues related to the device constituent parts and certain aspects of the underlying quality systems of our combination products. We are working with the FDA to address the concerns raised in the letter.

Obtaining and maintaining regulatory approval has been and will continue to be increasingly difficult, time-consuming and costly. There may be situations in which demonstrating the efficacy and safety of a product candidate may not be sufficient to gain regulatory approval unless superiority to comparative products can be shown. Also, legislative bodies or regulatory agencies could enact new laws or regulations or change existing laws or regulations at any time, which could affect our ability to obtain or maintain approval of our products. For example, the EU is in the process of finalizing new requirements related to how clinical trials are conducted. While the aim of the new requirements is improvement in operational efficiency and a streamlining of the overall clinical trial authorization process, the new requirements also provide for increased transparency of clinical trial results and quality data relating to the products used for such trials. It remains to be seen how the EMA and the individual EU member states will implement the new process and how it will impact companies conducting clinical trials and their ability to protect competitively-sensitive information contained in their approval applications. Failure to comply with new laws or regulations could result in significant monetary penalties as well as reputational and other harms. We are unable to predict when and whether any further changes to laws or regulatory policies affecting our business could occur, such as efforts to reform medical device regulation or the pedigree requirements for medical products or to implement new requirements for combination products, and whether such changes could have a material adverse effect on our business and results of operations.

Regulatory authorities may also question the sufficiency for approval of the endpoints we select for our clinical trials. For example, questions remain about regulatory authorities' views regarding the adequacy for approval of therapeutic oncology products that have demonstrated a statistically significant improvement in endpoints such as PFS but have not shown a statistically significant improvement in OS. A number of our products and product candidates have been evaluated in clinical trials using endpoints other than OS, such as PFS and bone-metastasis-free survival (BMFS). The use of endpoints such as PFS or BMFS, in the absence of other measures of clinical benefit, may not be sufficient for approval even when such results are statistically significant. Regulatory authorities could also add new requirements, such as the completion of an outcomes study or a meaningful portion of an outcomes study, as conditions for obtaining an indication. For example, the FDA has indicated that the filing of our BLA for evolocumab is dependent on us having achieved appropriate progress in our ongoing cardiovascular outcomes study. The imposition of additional requirements may delay our clinical development and regulatory filing efforts, and delay or prevent us from obtaining regulatory approval for new product candidates, new indications for existing products or maintenance of our current labels.

Some of our products are approved by U.S. and foreign regulatory authorities on a conditional basis with full approval conditioned upon fulfilling the requirements of regulators. For example, in July 2012 our subsidiary Onyx Pharmaceuticals received accelerated approval for Kyprolis ® in the United States, with full approval conditioned on conducting additional clinical trials of the use of Kyprolis ® as a therapy in treating multiple myeloma. Regulatory authorities are placing greater focus on monitoring products originally approved on an accelerated or conditional basis and on whether the sponsors of such products have met the conditions of the accelerated or conditional approvals. If we are unable to fulfill the requirements of regulators that were conditions of our products' accelerated or conditional approval and/or if regulators re-evaluate the data or risk-benefit profile of our product

in connection with a renewal assessment, our conditional approval may not be renewed or we may not receive full approval for these products or may be required to change the products' labeled indications or even withdraw the products from the market.

Safety problems or signals can arise as our product candidates are evaluated in clinical trials or as our marketed products are used in clinical practice. We are required to communicate to regulatory agencies adverse events reported to us regarding our products. Regulatory agencies periodically perform inspections of our pharmacovigilance processes, including our adverse event reporting. In 2012, new pharmacovigilance legislation became effective in the EU that enhanced the authority of European regulators to require companies to conduct additional post-approval clinical efficacy and safety studies and increased the burden on sponsor companies in terms of adverse event management and reporting and safety data analyses. If regulatory agencies determine that we or other parties (including our independent clinical trial investigators or our licensees) have not complied with the applicable reporting or other pharmacovigilance requirements, we may become subject to additional inspections, warning letters or other enforcement actions, including monetary fines and other penalties. Our product candidates and products can also be affected by safety problems or signals occurring with respect to products that are similar to ours and that implicate an entire class of products. Further, as a result of clinical trials, including sub-analyses or meta-analyses of earlier clinical trials (a meta-analysis involves the use of various statistical methods to combine results from previous separate but related studies), concerns may arise about the sufficiency of the data or studies underlying a product's approved label. Such actual or perceived safety problems or concerns can lead to:

- revised or restrictive labeling for our products;
- requirement of risk management activities or other regulatory agency compliance actions related to the promotion and sale of our products;
- mandated post-marketing commitments or pharmacovigilance programs for our approved products;
- product recalls of our approved products;
- revocation of approval for our products from the market completely, or within particular therapeutic areas;
- increased timelines or delays in being approved by the FDA or other regulatory bodies; and/or
- fewer treatments or product candidates being approved by regulatory bodies.

For example, beginning in 2006, adverse safety results involving ESAs were observed and since that time our ESAs have been the subject of ongoing review and scrutiny. Reviews by regulatory authorities of the risk-benefit profile of ESAs has resulted in changes to ESA labeling and usage in both the oncology and nephrology clinical settings.

In addition to our innovative products, we are working to develop and commercialize biosimilar versions of six products currently manufactured, marketed and sold by other pharmaceutical companies. (See Item 1. Business — Research and Development and Selected Product Candidates — Amgen Development of Biosimilars.) In many markets there is not yet a legislative or regulatory pathway for the approval of biosimilars. In the United States, the U.S. healthcare reform law provided for such a pathway; while the FDA is working to implement it, significant questions remain as to how products will be approved under the pathway. (See We expect to face increasing competition from biosimilars.) Delays or uncertainties in the development of such pathways could result in delays or difficulties in getting our products approved by regulatory authorities, subject us to unanticipated development costs or otherwise reduce the value of the investments we have made in the biosimilars area.

Some of our products are used with drug delivery or companion diagnostic devices which have their own regulatory, manufacturing and other risks.

Some of our products or product candidates may be used in combination with a drug delivery device, such as an injector or other delivery system. Our product candidates or expanded indications of our products used with such drug delivery devices may not be approved or may be substantially delayed in receiving regulatory approval if such devices do not gain or maintain regulatory approval or clearance. Where approval of the product and device is sought under a single marketing drug application, the increased complexity of the review process may also delay receipt of regulatory approval. In addition, some of these drug delivery devices may be provided by single-source unaffiliated third-party companies. We are dependent on the sustained cooperation and effort of those third-party companies both to supply the devices and, in some cases, to conduct the studies required for approval or clearance by the applicable regulatory agencies. We are also dependent on those third-party companies continuing to meet the applicable regulatory and other requirements to maintain that approval or clearance once it has been received. Failure to supply the devices, delays in or failure of the Amgen or third-party studies, or failure of Amgen or the third-party company to obtain or maintain regulatory approval or clearance of the devices could result in increased development costs, delays in or failure to obtain regulatory approval and/or associated delays in a product candidate reaching the market or the expansion of existing product labels for new indications. Loss of regulatory approval or clearance of a device that is used with our product may also result in the removal of our product from the market.

Similarly, some of our products or product candidates may be used in combination with an in vitro companion diagnostic device, such as a test kit. In some cases, our product candidates or expanded indications of our products used with in vitro companion diagnostic devices may not be approved or may be substantially delayed in receiving regulatory approval if such devices do not gain or maintain regulatory approval or clearance. For example, the FDA has informed us that its approval of Vectibix® for the first- and second-line mCRC indications we are seeking will be contingent upon approval of the companion diagnostic device being developed in collaboration with QIAGEN N.V., which identifies a patient's *KRAS* gene status. As with drug delivery devices used with our products, our ability to get and maintain the necessary regulatory approvals for our products or product candidates used with in vitro companion diagnostic devices can be substantially dependent on whether the manufacturers of such devices meet their contractual responsibilities to us and/or their obligations to regulatory authorities. Failures by these manufacturers can also result in the significant delays and added costs described above, or even result in the removal of our product from the market.

We may not be able to develop commercial products.

Successful product development in the biotechnology industry is highly uncertain, and very few R&D projects produce a commercial product. We intend to continue to make significant R&D investments. Product candidates or new indications for existing products (collectively, "product candidates") that appear promising in the early phases of development may fail to reach the market for a number of reasons, such as:

- the product candidate did not demonstrate acceptable clinical trial results even though it demonstrated positive preclinical trial results, for reasons that could include changes in the standard of care of medicine;
- the product candidate was not effective or more effective than currently available therapies in treating a specified condition or illness;
- the product candidate is not cost effective in light of existing therapeutics;
- the product candidate had harmful side effects in humans or animals;
- the necessary regulatory bodies, such as the FDA or EMA, did not approve our product candidate for an intended use;
- the product candidate was not economical for us to manufacture and commercialize;
- the biosimilar product candidate fails to demonstrate the requisite biosimilarity to the applicable reference product, or is otherwise determined to be unacceptable for purposes of safety or efficacy, to gain approval under the biosimilar pathway;
- other parties have or may have proprietary rights relating to our product candidate, such as patent rights, and will not let us sell it on reasonable terms, or at all;
- we and certain of our licensees, partners or independent investigators may fail to effectively conduct clinical development or clinical manufacturing activities; and
- the regulatory pathway to approval for product candidates is uncertain or not well-defined.

Several of our product candidates have failed or been discontinued at various stages in the product development process. Inability to bring a product to market or a significant delay in the expected approval and related launch date of a new product for any of the reasons discussed could potentially have a negative impact on our net sales and earnings and could result in a significant impairment of in-process research and development (IPR&D) or other intangible assets.

We must conduct clinical trials in humans before we can commercialize and sell any of our product candidates or existing products for new indications.

Before we can sell any products, we must conduct clinical trials to demonstrate that our product candidates are safe and effective for use in humans. The results of those clinical trials are used as the basis to obtain approval from regulatory authorities such as the FDA and EMA. (See Our current products and products in development cannot be sold if we do not maintain or gain regulatory approval.) We are required to conduct clinical trials using an appropriate number of trial sites and patients to support the product label claims. The length of time, number of trial sites and patients required for clinical trials vary substantially and therefore, we may spend several years and incur substantial expense in completing certain clinical trials. We may have difficulty finding a sufficient number of clinical trial sites and subjects to participate in our clinical trials, particularly if competitors are conducting similar clinical trials in certain patient populations. Delays in planned clinical trials can result in increased development costs, delays in regulatory approvals, associated delays in product candidates reaching the market and revisions to existing product labels.

In addition, in order to increase the number of patients available for enrollment for our clinical trials, we have and will continue to open clinical sites and enroll patients in a number of new geographic locations where our experience conducting clinical trials is more limited, including Russia, India, China, South Korea, the Philippines, Singapore and some Central and South American countries, either through utilization of third-party contract clinical trial providers entirely or in combination with local staff. Conducting clinical trials in locations where we have limited experience requires substantial time and resources to identify and understand the unique regulatory environments of individual countries. Further, we must ensure the timely production, distribution and delivery of the clinical supply of our product candidates to the numerous and varied clinical trial sites. If we fail to adequately manage the design, execution and regulatory aspects of our large, complex and regulatorily diverse clinical trials or manage the production or distribution of our clinical supply, corresponding regulatory approvals may be delayed or we may fail to gain approval for our product candidates or could lose our ability to market existing products in certain therapeutic areas or altogether. If we are unable to market and sell our product candidates or are unable to obtain approvals in the timeframe needed to execute our product strategies, our business and results of operations could be materially and adversely affected.

We rely on independent third-party clinical investigators to recruit subjects and conduct clinical trials in accordance with the applicable study protocols and laws and regulations. Further, we rely on unaffiliated third-party vendors to perform certain aspects of our clinical trial operations. We also may acquire companies that have ongoing clinical trials. These trials may not be conducted to the same standards as ours; however, once an acquisition has been completed we assume responsibility for the conduct of the trial, including any potential risks and liabilities associated with the past and prospective conduct of those trials. If regulatory authorities determine that we or others, including our licensees or the independent investigators selected by us or by a company we have acquired, have not complied with regulations in the R&D of a product candidate, a new indication for an existing product or information to support a current indication, they may refuse to accept trial data from the site, not approve the product candidate or new indication or maintain approval of the current indication in its current form or at all, and we would not be able to market and sell it. If we were unable to market and sell our products or product candidates, our business and results of operations could be materially and adversely affected.

In addition, some of our clinical trials involve drugs manufactured and marketed by other pharmaceutical companies. These drugs may be administered in a clinical trial in combination with one of our product candidates or in a head-to-head study comparing the products' relative efficacy and safety. In the event that any of these vendors or pharmaceutical companies have unforeseen issues that negatively impact the quality of their work or creates a shortage of supply, our ability to complete our applicable clinical trials and/or evaluate clinical results may also be negatively impacted. As a result, this could adversely affect our ability to file for, gain or maintain regulatory approvals worldwide on a timely basis, if at all.

Patients may also suffer adverse medical events or side effects in the course of our, our licensees, partners or independent investigators' clinical trials which could:

- delay the clinical trial program;
- require additional or longer trials to gain approval;
- prohibit regulatory approval of our product candidates or new indications for existing products; and
- render the product candidate commercially unfeasible or limit our ability to market existing products completely or in certain therapeutic areas.

Clinical trials must be designed based on the current standard of medical care. However in certain diseases, such as cancer, the standard of care is evolving rapidly. In these diseases, the duration of time needed to complete certain clinical trials may result in the design of such clinical trials being based on standards of medical care that are no longer the current standards when such trials are completed, limiting the utility and application of such trials. We may not obtain favorable clinical trial results and may not be able to obtain regulatory approval for new product candidates, new indications for existing products or maintenance of our current labels on this basis.

Even after a product is on the market, safety concerns may require additional or more extensive clinical trials as part of a pharmacovigilance program of our product or for approval of a new indication. For example, in connection with the June 2011 ESA label changes, we also agreed to conduct additional clinical trials examining the use of ESAs in CKD. Additional clinical trials we initiate, including those required by the FDA, could result in substantial additional expense and the outcomes could result in additional label restrictions or the loss of regulatory approval for an approved indication, each of which could have a material adverse effect on the sales of our products, our business and results of operations. Additionally, any negative results from such trials could materially affect the extent of approvals, the use, reimbursement and sales of our products.

We expect to face increasing competition from biosimilars.

We currently face competition in Europe from biosimilars, and we expect to face increasing competition from biosimilars in the future. To the extent that governments adopt more permissive approval frameworks and competitors are able to obtain broader marketing approval for biosimilars, our products will become subject to increased competition. Expiration or successful challenge of applicable patent rights could trigger such competition, and we could face more litigation regarding the validity and/or scope of our patents. Our products may also experience greater competition from lower-cost biosimilars that come to market as branded products that compete with our products lose patent protection.

In the EU, the EC has granted marketing authorizations for several biosimilars pursuant to a set of general and product class-specific guidelines for biosimilar approvals issued over the past few years. In 2013, the EMA drafted new overarching guidelines revisions and proposals that seek to facilitate biosimilar development by clarifying and streamlining the standards required for the approval of biosimilars. In addition, in an effort to spur biosimilar utilization and/or increase potential healthcare savings, countries in the EU, such as France, may adopt biosimilar uptake measures such as requiring physician prescribing quotas or automatic substitution by pharmacists of biosimilars for the corresponding reference products. Some EU countries may impose automatic price reductions upon market entry of the second or third biosimilar competitor. We cannot predict to what extent the entry of biosimilars or other competing products will impact future sales of our products in the EU. Our inability to compete effectively could reduce sales, which could have a material adverse effect on our business and results of operations.

In the United States, with the adoption of the healthcare reform law the FDA was authorized to approve biosimilars under a separate, abbreviated pathway. (See Item 1. Business — Government Regulation — Regulation in the United States — Approval of Biosimilars.) A growing number of companies have announced their intentions to develop biosimilar versions of existing biotechnology products, including a number of our products as well as the biosimilars we are working to develop. Further, biosimilar manufacturers with approved products in Europe may seek to obtain U.S. approval now that the regulatory pathway for biosimilars has been enacted. In addition, critics of the 12-year exclusivity period in the biosimilar pathway law will likely seek to shorten the data exclusivity period and/or to encourage the FDA to interpret narrowly the law's provisions regarding which new products receive data exclusivity. While we are unable to predict the precise impact of the pending introduction of biosimilars on our products, we expect in the future to face greater competition in the United States as a result of biosimilars and downward pressure on our product prices and sales, subject to our ability to enforce our patents. (See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources.) This additional competition could have a material adverse effect on our business and results of operations.

Our products face substantial competition.

We operate in a highly competitive environment. (See Item 1. Business — Competition.) Our products compete with other products or treatments for diseases for which our products may be indicated. Our competitors market products or are actively engaged in R&D in areas where we have products, where we are developing product candidates or new indications for existing products. In the future, we expect that our products will compete with new drugs currently in development, drugs currently approved for other indications that may later be approved for the same indications as those of our products and drugs approved for other indications that are used off-label. Large pharmaceutical companies and generics manufacturers of pharmaceutical products are expanding into the biotechnology field with increasing frequency, and some pharmaceutical companies and generics manufacturers have formed partnerships to pursue biosimilars. In addition, some of our competitors may have technical, competitive or other advantages over us for the development of technologies and processes. These advantages may make it difficult for us to compete with them to successfully discover, develop and market new products and for our current products to compete with new products or new product indications that these competitors may bring to market. As a result, our products may compete against products that have lower prices, equivalent or superior performance, better safety profile, are easier to administer, achieve earlier entry into the market or that are otherwise competitive with our products. Our products may also experience greater competition from lower-cost biosimilars or generics that come to market as branded products that compete with our products lose their own patent protection. For example, upon the expiry of patent protection for Novartis's Zometa® (zolendronic acid) in 2013, a number of companies have launched generic forms of zolendronic acid, which now compete against XGEVA ®. Further, in November, Teva launched short-acting Granix® in the U.S. to compete with NEUPOGEN® and long-acting lipegfilgrastim in Europe to compete with Neulasta®. Further, EPOGEN® and Aranesp® may begin to face competition during the second half of 2014 from the launch of MIRCERA ® in the United States.

Our sales depend on coverage and reimbursement from third-party payers.

Sales of our principal products are dependent on the availability and extent of coverage and reimbursement from third-party payers, including government healthcare programs and private insurance plans. Governments and private insurers have pursued, and continue to pursue, aggressive cost containment initiatives, including increased focus on comparing the effectiveness, benefits and costs of similar treatments, which could result in lower reimbursement rates for our products or narrower populations for whom our products will be reimbursed by payers.

A substantial portion of our U.S. business relies on reimbursement from U.S. federal government healthcare programs. Further, as the federal agency responsible for administering Medicare, Medicaid and the new Health Insurance Exchanges, CMS has substantial power to quickly implement policy changes that can significantly affect how our products are covered and reimbursed. Additionally, there is an increased focus in the United States on analyzing the impact of various government programs on the federal deficit, which has resulted in increased pressure on federal programs to reduce costs. Private payers also continue to seek to reduce their costs. Additionally, the implementation of ACA's Health Insurance Exchanges, where plans are required to meet certain coverage and cost sharing requirements in the face of increased regulation of rates and profits, could drive consolidation in the insurance industry. The resulting consolidated entities could have greater leverage in making coverage and reimbursement decisions and exert additional pressure on our ability to price and secure patient access for our products. Further, the current Health Care Exchange offerings have very high deductibles and cost-sharing requirements for drugs; if private payers were to broadly adopt these benefit levels for other plans, such change would have a material adverse effect on the sales of our products, our business and results of operations. Outside the United States, we expect that countries will continue to take aggressive actions to reduce their healthcare expenditures. (See Item 1. Business — Reimbursement.) Any deterioration in the coverage and reimbursement available for our products or in the timeliness or certainty of payment by payers to physicians and other providers could negatively impact the ability or willingness of healthcare providers to prescribe our products for their patients or otherwise negatively affect the use of our products or the prices we receive for them. Such changes could have a material adverse effect on the sales of our products, our business and results of operations.

We also face risks relating to the reporting of pricing data that affects the U.S. reimbursement of and discounts for our products. Pricing data that we submit impacts the prices providers are paid, rebates we pay, and discounts we are required to provide under Medicare, Medicaid and other government drug programs, and the calculations are complex. Price reporting regulations require a manufacturer to update certain previously submitted data. Our price reporting data calculations are reviewed on a quarterly basis, and based on such reviews we have on occasion restated previously reported pricing data to reflect changes in calculation methodology, reasonable assumptions, and/or underlying data. If our submitted pricing data are incorrect, we may become subject to substantial fines and penalties or other government enforcement actions, which could have a material adverse impact on our business and results of operations. In addition, if our pricing calculations are incorrect, we also may be required to pay additional rebates and provide additional discounts.

We rely on third-party suppliers for certain of our raw materials, medical devices and components.

We rely on unaffiliated third-party suppliers for certain raw materials, medical devices and components necessary for the manufacturing of our commercial and clinical products. Certain of those raw materials, medical devices and components are the proprietary products of those unaffiliated third-party suppliers and are specifically cited in our drug application with regulatory agencies so that they must be obtained from that specific sole source or sources and could not be obtained from another supplier unless and until the regulatory agency approved such supplier. Also, certain of the raw materials required in the commercial and clinical manufacturing of our products are sourced from other countries and/or derived from biological sources, including mammalian tissues, bovine serum and human serum albumin.

Among the reasons we may be unable to obtain these raw materials, medical devices and components include:

- regulatory requirements or action by regulatory agencies or others;
- adverse financial or other strategic developments at or affecting the supplier;
- unexpected demand for or shortage of raw materials, medical devices or components;
- failure to comply with our quality standards which results in quality and product failures, product contamination and/or recall;
- a material shortage, contamination, recall and/or restrictions on the use of certain biologically derived substances or other raw materials;
- discovery of previously unknown or undetected imperfections in raw materials, medical devices or components; and
- labor disputes or shortages, including the effects of a pandemic flu outbreak, natural disaster, or otherwise.

These events could negatively impact our ability to satisfy demand for our products, which could materially and adversely affect our product use and sales and our business and operating results. For example, in prior years we have experienced shortages in certain components necessary for the formulation, fill and finish of certain of our products in our Puerto Rico facility. Further quality issues which result in unexpected additional demand for certain components may lead to shortages of required raw materials or components (such as we have experienced with EPOGEN ® glass vials). We may experience or continue to experience these or other shortages in the future resulting in delayed shipments, supply constraints, contract disputes and/or stock-outs of our products. We continue to investigate alternatives to certain biological sources and alternative manufacturing processes that do not require

the use of certain biologically derived substances because such raw materials may be subject to contamination and/or recall. However, any disruptions or delays by us or by third-party suppliers or partners in converting to alternatives to certain biologically derived substances and alternative manufacturing processes or our ability to gain regulatory approval for the alternative materials and manufacturing processes could increase our associated costs or result in the recognition of an impairment in the carrying value of certain related assets, which could have a material and adverse effect on our business and results of operations.

Manufacturing difficulties, disruptions or delays could limit supply of our products and limit our product sales.

Manufacturing biologic human therapeutic products is difficult, complex and highly regulated. We currently are involved in the manufacture of all of our principal products and plan to manufacture many of our product candidates. In addition, we currently use third-party contract manufacturers to produce or assist in the production of ENBREL, Prolia®, Sensipar®/Mimpara®, Nplate®, XGEVA®, Vectibix® and Kyprolis® and plan to use contract manufacturers to produce or assist in the production of a number of our late-stage product candidates. Our ability to adequately and timely manufacture and supply our products and product candidates is dependent on the uninterrupted and efficient operation of our facilities and those of our third-party contract manufacturers, which may be impacted by:

- capacity of our facilities and those of our contract manufacturers;
- contamination by microorganisms or viruses;
- natural or other disasters, including hurricanes, earthquakes, volcanoes or fires;
- labor disputes or shortages, including the effects of a pandemic flu outbreak, natural disaster, or otherwise;
- degree of compliance with regulatory requirements;
- changes in forecasts of future demand;
- timing and actual number of production runs;
- updating of manufacturing specifications;
- production success rates and yields;
- contractual disputes with our suppliers and contract manufacturers; and
- timing and outcome of product quality testing.

If the efficient manufacture and supply of our products or product candidates is interrupted, we may experience delayed shipments, delays in our clinical trials, supply constraints, stock-outs and/or recalls of our products. Over the past several years we have initiated a number of voluntary recalls of certain lots of our products. For example, beginning in September 2010, we initiated a voluntary recall of certain lots of EPOGEN ® and J&J voluntarily recalled certain lots of PROCRIT®, manufactured by us, because a small number of vials in each lot were found to contain glass lamellae (extremely thin, barely visible glass flakes) which we believed was a result of the interaction of the product formulation with glass vials during the shelf life of the product. The recalls were executed in close cooperation with the FDA. We may experience the same or other problems in the future, resulting in broader product recalls, adverse event trends, delayed shipments, supply constraints, contract disputes and/or stock-outs of our products. If we are at any time unable to provide an uninterrupted supply of our products to patients, we may lose patients and physicians may elect to prescribe competing therapeutics instead of our products, which could materially and adversely affect our product sales, business and results of operations.

Our manufacturing processes and those of our third-party contract manufacturers must undergo a potentially lengthy FDA or other regulatory approval process and are subject to continued review by the FDA and other regulatory authorities. It can take longer than five years to build, validate and license a new manufacturing plant and it can take longer than three years to qualify and license a new contract manufacturer. For example, in order to mitigate the risk associated with the majority of our formulation and fill operations being performed in a single facility, we are completing the construction and qualification of a new formulation and filling facility at our Puerto Rico site, and we are modifying and expanding our recently acquired formulation, fill and finish manufacturing site in Ireland. Upon completion, these facilities will require licensure by the various regulatory authorities.

If regulatory authorities determine that we or our third-party contract manufacturers or certain of our third-party service providers have violated regulations or if they restrict, suspend or revoke our prior approvals, they could prohibit us from manufacturing our products or conducting clinical trials or selling our marketed products until we or the affected third-party contract manufacturers or third-party service providers comply, or indefinitely. Because our third-party contract manufacturers and certain of our third-party service providers are subject to the FDA and foreign regulatory authorities, alternative qualified third-party contract manufacturers and third-party service providers may not be available on a timely basis or at all. If we or our

third-party contract manufacturers or third-party service providers cease or interrupt production or if our third-party contract manufacturers and third-party service providers fail to supply materials, products or services to us, we may experience delayed shipments, supply constraints, stock-outs and/or recalls of our products. Additionally, we distribute a substantial volume of our commercial products through our primary distribution centers in Louisville, Kentucky for the United States and in Breda, the Netherlands for Europe and much of the rest of the world. We also conduct all the labeling and packaging of our products distributed in Europe and much of the rest of the world in Breda, the Netherlands. Our ability to timely supply products is dependent on the uninterrupted and efficient operations of our distribution and logistics centers, our third-party logistics providers and our labeling and packaging facility in Breda. Further, we rely on commercial transportation for the distribution of our products to our customers which may be negatively impacted by natural disasters or security threats.

We perform a substantial amount of our commercial manufacturing activities at our Puerto Rico manufacturing facility and a substantial amount of our clinical manufacturing activities at our Thousand Oaks, California manufacturing facility; if significant natural disasters or production failures occur at the Puerto Rico facility, we may not be able to supply these products or, at the Thousand Oaks facility, we may not be able to continue our clinical trials.

We currently perform all of the formulation, fill and finish for Neulasta®, NEUPOGEN®, Aranesp®, EPOGEN®, Prolia® and XGEVA® and substantially all of the formulation, fill and finish operations for ENBREL at our manufacturing facility in Juncos, Puerto Rico. We also currently perform all of the bulk manufacturing for Neulasta®, NEUPOGEN® and Aranesp®, all of the purification of bulk EPOGEN® material and substantially all of the bulk manufacturing for Prolia® and XGEVA® at this facility. We perform substantially all of the bulk manufacturing and formulation, fill and finish, and packaging for product candidates to be used in clinical trials at our manufacturing facility in Thousand Oaks, California. The global supply of our products and product candidates is significantly dependent on the uninterrupted and efficient operation of these facilities. A number of factors could materially and adversely affect our operations, including:

- power failures and/or other utility failures;
- breakdown, failure or substandard performance of equipment;
- improper installation or operation of equipment;
- labor disputes or shortages, including the effects of a pandemic flu outbreak;
- inability or unwillingness of third-party suppliers to provide raw materials and components; and
- natural or other disasters, including hurricanes, earthquakes or fires.

In the past, the Puerto Rico facility has experienced manufacturing component shortages and there was evidence of adverse trends in the microbial bioburden of the production environment that reduced the production output. The same or other problems may result in our being unable to supply our products, which could materially and adversely affect our product sales, business and operating results. Our Puerto Rico facility is also subject to the same difficulties, disruptions or delays in manufacturing experienced in our other manufacturing facilities. For example, the limited number of lots EPOGEN® voluntarily recalled in 2010 were manufactured at our Puerto Rico facility. In future inspections, our failure to adequately address the FDA's expectations could lead to further inspections of the facility or regulatory actions. (See Manufacturing difficulties, disruptions or delays could limit supply of our products and limit our product sales.)

Our efforts to acquire other companies or products and to integrate their operations may not be successful, and may result in costs, delays or failures to realize the benefits of the transactions.

We have an ongoing process of evaluating potential merger, acquisition, partnering and in-license opportunities that we expect will contribute to our future growth and expand our geographic footprint, product offerings and/or our R&D pipeline. Acquisitions may result in unanticipated costs, delays or other operational or financial problems related to integrating the acquired company and business with our company, which may result in the diversion of our management's attention from other business issues and opportunities. Failures or difficulties in integrating or retaining new personnel or in integrating the operations of the businesses that we acquire (including their technology, compliance programs, financial systems, distribution and general business operations and procedures), while preserving important R&D, distribution, marketing, promotion and other relationships, may affect our ability to grow and may result in us incurring asset impairment or restructuring charges. For example, on October 1, 2013, we acquired Onyx, a biopharmaceutical company with several currently marketed products as well as pipeline candidates progressing through the development process and failures or difficulties in the integration of Onyx could result in a material adverse impact on our business and results of operations.

Our intellectual property positions may be challenged, invalidated, circumvented or expire, or we may fail to prevail in present and future intellectual property litigation.

Our success depends in part on our ability to obtain and defend patent rights and other intellectual property rights that are important to the commercialization of our products and product candidates. The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and often involve complex legal, scientific and factual questions. Third parties may challenge, invalidate or circumvent our patents and patent applications relating to our products, product candidates and technologies. In addition, our patent positions might not protect us against competitors with similar products or technologies because competing products or technologies may not infringe our patents. For certain of our product candidates, there are third parties who have patents or pending patent applications that they may claim necessitate payment of a royalty or prevent us from commercializing these product candidates in certain territories. Patent disputes are frequent, costly and can preclude, delay or increase the cost of commercialization of products. We have been in the past, and may be in the future, involved in patent litigation. A determination made by a court, agency or tribunal concerning infringement, validity, enforceability, injunctive or economic remedy, or the right to patent protection, for example, are typically subject to appellate or administrative review. Upon review, such initial determinations may be afforded little or no deference by the reviewing tribunal and may be affirmed, reversed, or made the subject of reconsideration through further proceedings. A patent dispute or litigation may not discourage a potential violator from bringing the product that is alleged to infringe to market prior to a final resolution of the dispute or litigation. The period of time from inception until resolution of a patent dispute or litigation is subject to the availability and schedule of the court, agency or tribunal before which the dispute or litigation is pending. We may be subject to competition during this period and may not be able to fully recover for the losses, damages, and harms we incur from infringement by the competitor product even if we prevail. Moreover, if we lose or settle current or future litigations at certain stages or entirely, we could be subject to competition and/or significant liabilities, be required to enter into third-party licenses for the infringed product or technology or be required to cease using the technology or product in dispute. In addition, we cannot guarantee that such licenses will be available on terms acceptable to us, or at all.

Further, under the Hatch-Waxman Act, our products approved by the FDA under the FDCA may be the subject of patent litigation with generic competitors before expiry of the five year period of data exclusivity provided for under the Hatch-Waxman Act and prior to the expiration of the patents listed for the product. Likewise, our innovative biologic products may be the subject of patent litigation prior to the expiration of our patents and, with respect to competitors seeking approval as a biosimilar or interchangeable version of our products, prior to the twelve year exclusivity period provided under the Biologics Price Competition and Innovation Act of 2009.

Certain of the existing patents on our principal products have recently expired or will expire over the next few years., (See Item 1. Business — Marketing, Distribution and Selected Marketed Products — Patents.) As our patents expire, competitors may be able to legally produce and market similar products or technologies, including biosimilars, which may have a material adverse effect on our product sales, business and results of operations. (See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources.) We have received, and we continue to seek, additional patent protection relating to our products, including patents on our products, specific processes for making our products, formulations and particular uses of our products. However, competitors may be able to invalidate, design around or otherwise circumvent our patents and sell competing products.

Our sales and operations are subject to the risks of doing business in emerging markets.

We expect a significant portion of growth in our future business to come from expanding our footprint and presence in emerging markets. As we continue our expansion efforts in emerging markets around the world, through acquisitions and licensing transactions as well as through the development and introduction of our current products into new markets, we face numerous risks to our business. There is no guarantee that the Company’s efforts and strategies to expand sales in emerging markets will succeed or that the growth rates experienced in these countries will continue in the future. Emerging market countries may be especially vulnerable to periods of global political, legal, regulatory and financial instability, including sovereign debt issues and/or fluctuations in currency exchange rates. The Company may also be required to increase its reliance on third-party agents and unfamiliar operations and arrangements previously utilized by companies that we partner with or acquire in emerging markets (See We must conduct clinical trials in humans before we can commercialize and sell any of our product candidates or existing products for new indications.). Our international operations and business may also be subject to less protective intellectual property or other applicable laws, diverse data privacy and protection requirements, changing tax laws and tariffs, far-reaching anti-bribery and anti-corruption laws and regulations and an evolving legal and regulatory environment. These legal and operational challenges along with the imposition of governmental controls, the challenges of attracting and retaining qualified personnel and obtaining and/or maintain necessary regulatory or pricing approvals of our products may result in a material adverse impact on the international sales of our products, our business and results of operations.

Concentration of sales at certain of our wholesaler distributors and consolidation of free-standing dialysis clinic businesses may negatively impact our bargaining power and profit margins.

The substantial majority of our U.S. product sales are made to three pharmaceutical product wholesaler distributors, AmerisourceBergen Corporation, Cardinal Health, Inc. and McKesson Corporation. These distributors, in turn, sell our products to their customers, which include physicians or their clinics, dialysis centers, hospitals and pharmacies. One of our products, EPOGEN ®, is sold primarily to free-standing dialysis clinics, which have experienced significant consolidation. Two organizations, DaVita and Fresenius Medical Care North America, own or manage a large number of the outpatient dialysis facilities located in the United States and account for a substantial majority of all EPOGEN ® sales in the free-standing dialysis clinic setting. Due to this concentration, these entities have substantial purchasing leverage, which may put pressure on our pricing by their potential ability to extract price discounts on our products or fees for other services, correspondingly negatively impacting our bargaining position and profit margins.

Our business may be affected by litigation and government investigations.

We and certain of our subsidiaries are involved in legal proceedings. (See Note 18, Contingencies and commitments, to the Consolidated Financial Statements.) Civil and criminal litigation is inherently unpredictable, and the outcome can result in costly verdicts, fines and penalties, exclusion from the federal healthcare programs and/or injunctive relief that affect how we operate our business. Defense of litigation claims can be expensive, time-consuming and distracting and it is possible that we could incur judgments or enter into settlements of claims for monetary damages or change the way we operate our business, which could have a material adverse effect on our business and results of operations. In addition, product liability is a major risk in testing and marketing biotechnology and pharmaceutical products. We may face substantial product liability exposure in human clinical trials and for products that we sell after regulatory approval. Product liability claims, regardless of their merits, could be costly and divert management's attention and adversely affect our reputation and the demand for our products. Amgen and Immunex have previously been named as defendants in product liability actions for certain of our products.

We are also involved in government investigations that arise in the ordinary course of our business. As we announced on December 19, 2012, we finalized a settlement agreement with the U.S. government and various other parties to settle certain allegations regarding our sales and marketing practices. However, we may also be subject to actions by governmental entities, including those not participating in the settlement, and may in the future become subject to claims by other parties, in each case with respect to the alleged conduct which is the subject of the settlement. We may see new governmental investigations of or actions against us citing novel theories of recovery. Any of these results could have a material adverse effect on our business and results of operations.

The adoption of new tax legislation or exposure to additional tax liabilities could affect our profitability.

We are subject to income and other taxes in the United States and other jurisdictions in which we do business. As a result, our provision for income taxes is derived from a combination of applicable tax rates in the various places we operate. Significant judgment is required for determining our provision for income tax and our tax returns are periodically examined by various tax authorities. We believe our accrual for tax liabilities is adequate for all open years based on past experience, interpretations of tax law, and judgments about potential actions by tax authorities; however, due to the complexity of the provision for income taxes, the ultimate resolution of any tax matters may result in payments greater or less than amounts accrued. Our provision for income taxes and results of operations in the future could be adversely affected by changes to our operating structure, changes in the mix of income and expenses in countries with differing tax rates, changes in the valuation of deferred tax assets and liabilities, and changes in applicable tax laws, regulations or administrative interpretations thereof. For example, there are several proposals under consideration in the United States to reform tax law, including proposals that may reduce or eliminate the deferral of U.S. income tax on our unrepatriated foreign earnings. A significant change to the U.S. tax system, such as a change to the taxation of income earned outside the United States including credits allowed for foreign taxes, or a significant change to the Puerto Rico tax system, could have a material and adverse effect on our business and on the results of our operations.

We may not be able to access the capital and credit markets on terms that are favorable to us, or at all.

The capital and credit markets may experience extreme volatility and disruption which may lead to uncertainty and liquidity issues for both borrowers and investors. We may access the capital markets to supplement our existing funds and cash generated from operations in satisfying our needs for working capital; capital expenditure and debt service requirements; our plans to pay dividends; and other business initiatives we plan to strategically pursue, including acquisitions and licensing activities. In the event of adverse capital and credit market conditions, we may be unable to obtain capital market financing on similar favorable terms, or at all, which could have a material adverse effect on our business and results of operations. Changes in credit ratings issued by nationally recognized credit rating agencies could adversely affect our cost of financing and have an adverse effect on the market price of our securities.

Our risk mitigation measures and corporate compliance program cannot guarantee that we effectively manage all operational risks and that we are in compliance with all potentially applicable U.S. federal and state regulations and all potentially applicable foreign regulations and/or other requirements.

The development, manufacturing, distribution, pricing, sales, marketing and reimbursement of our products, together with our general operations, are subject to extensive federal and state regulation in the United States and to extensive regulation in foreign countries. (See Our current products and products in development cannot be sold if we do not maintain or gain regulatory approval and Manufacturing difficulties, disruptions or delays could limit supply of our products and limit our product sales.) In addition, our business is complex and involves significant operational risks. While we have implemented numerous risk mitigation measures to comply with such regulations in this complex operating environment, we cannot guarantee that we will be able to effectively mitigate all operational risks. Further, we are now operating under a corporate integrity agreement with the U.S. Department of Health and Human Services, OIG, which requires us to maintain our corporate compliance program and to undertake a set of defined obligations. The corporate integrity agreement requires us to make periodic attestations that we are implementing and following the provisions of the corporate integrity agreement, and provides for an independent third-party review organization to assess and report on our compliance to the OIG. While we have developed and instituted a corporate compliance program, we cannot guarantee that we, our employees, our partners, our consultants or our contractors are or will be in compliance with all potentially applicable U.S. federal and state regulations and/or laws, all potentially applicable foreign regulations and/or laws and/or all requirements of the corporate integrity agreement. If we fail to adequately mitigate our operational risks or if we or our agents fail to comply with any of those regulations, laws and/or requirements of the corporate integrity agreement, a range of actions could result, including, but not limited to, the termination of clinical trials, the failure to approve a product candidate, restrictions on our products or manufacturing processes, withdrawal of our products from the market, significant fines, exclusion from government healthcare programs or other sanctions or litigation. Such occurrences could have a material and adverse effect on our product sales, business and results of operations.

We are increasingly dependent on information technology systems, infrastructure and data.

We are increasingly dependent upon information technology systems, infrastructure and data. The multitude and complexity of our computer systems make them inherently vulnerable to service interruption or destruction, malicious intrusion and random attack. Likewise, data privacy or security breaches by employees or others may pose a risk that sensitive data, including intellectual property, trade secrets or personal information belonging to the Company, its patients, customers or other business partners, may be exposed to unauthorized persons or to the public. Cyber-attacks are increasing in their frequency, sophistication and intensity. Cyber-attacks could include the deployment of harmful malware, denial-of-service, social engineering and other means to affect service reliability and threaten data confidentiality, integrity and availability. Our key business partners face similar risks and any security breach of their systems could adversely affect our security posture. While in the past we have experienced cyber-attacks and intrusions into our computer systems, we do not believe that such attacks have had a material adverse effect on our operations. While we have invested heavily in the protection of data and information technology, there can be no assurance that our efforts will prevent service interruptions, or identify breaches in our systems, that could adversely affect our business and operations and/or result in the loss of critical or sensitive information, which could result in financial, legal, business or reputational harm to us.

Global economic conditions may negatively affect us and may magnify certain risks that affect our business.

Our operations and performance have been, and may continue to be, affected by economic conditions in the United States and throughout the world. As more fully explained below, financial pressures may cause government or other third-party payers to more aggressively seek cost containment through mandatory discounts on our products, policies requiring the automatic substitution of generics or biosimilars, higher hurdles for initial reimbursement approval for new products or other similar measures. (See We expect to face increasing competition from biosimilars.) Additionally, as a result of global economic conditions, third-party payers may delay or be unable to satisfy their reimbursement obligations. In addition, as a result of the economic conditions and/or employer decisions regarding the insurance coverage mandate that goes into effect in the United States in 2015 and 2016, some employers may seek to reduce costs by reducing or eliminating employer group healthcare plans or transferring a greater portion of healthcare costs to their employees. Job losses or other economic hardships may also result in reduced levels of coverage for some individuals, potentially resulting in lower levels of healthcare coverage for themselves or their families. These economic conditions may affect patients' ability to afford health care as a result of increased co-pay or deductible obligations, greater cost sensitivity to existing co-pay or deductible obligations, lost healthcare insurance coverage or for other reasons. We believe such conditions have led and could continue to lead to changes in patient behavior and spending patterns that negatively affect usage of certain of our products, including some patients delaying treatment, rationing prescription medications, leaving prescriptions unfilled, reducing the frequency of visits to healthcare facilities, utilizing alternative therapies and/or foregoing healthcare insurance coverage. In addition to its effects on consumers, any economic downturn may have also increased cost sensitivities among medical providers in the United States, such as oncology clinics, particularly in circumstances where providers may experience challenges in the collection of patient co-pays or be forced to absorb treatment costs as a result of coverage decisions or reimbursement terms. Collectively, we believe these changes have resulted and may continue to result in reduced demand for our products, which could

materially and adversely affect the sales of our products, our business and results of operations. Any resulting decrease in demand for our products could also cause us to experience excess inventory write-offs and/or excess capacity or impairment charges at certain of our manufacturing facilities.

Economic conditions continue to affect our operations and performance outside the United States as well, particularly in countries where government-sponsored healthcare systems are the primary payers for healthcare expenditures. Credit and economic conditions have adversely impacted the timing of collections of our trade receivables. (See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation — Financial Condition, Liquidity and Capital Resources.) Further economic challenges may impact our ability to collect some or all of our receivables, which could have a material adverse impact on our operating cash flows and a material adverse effect on our financial position, liquidity or results of operations. (See Our sales depend on coverage and reimbursement from third-party payers.)

We also rely upon third parties for certain parts of our business, including licensees and partners, wholesale distributors of our products, contract clinical trial providers, contract manufacturers and single third-party suppliers. There may be a disruption or delay in the performance or satisfaction of commitments to us by these third parties which could have a material adverse effect on the sales of our products, our business and results of operations. Current economic conditions may adversely affect the ability of our distributors, customers and suppliers to obtain liquidity required to buy inventory or raw materials and to perform their obligations under agreements with us, which could disrupt our operations. Further, economic conditions appear to have affected, and may continue to affect, the business practices of our wholesale distributors in a manner that contributes to lower sales of our products. Although we monitor our distributors', customers' and suppliers' financial condition and their liquidity in order to mitigate our business risks, some of our distributors, customers and suppliers may become insolvent, which could have a material adverse effect on the sales of our products, our business and results of operations. These risks may be elevated with respect to our interactions with third parties with substantial operations in countries where current economic conditions are the most severe, particularly where such third parties are themselves exposed to sovereign risk from business interactions directly with fiscally-challenged government payers.

We maintain a significant portfolio of investments disclosed as cash equivalents and marketable securities on our Consolidated Balance Sheet. The value of our investments may be adversely affected by interest rate fluctuations, downgrades in credit ratings, illiquidity in the capital markets and other factors that may result in other than temporary declines in the value of our investments. Any of those events could cause us to record impairment charges with respect to our investment portfolio or to realize losses on the sale of investments.

Our stock price is volatile.

Our stock price, like that of our peers in the biotechnology and pharmaceutical industries, is volatile. Our revenues and operating results may fluctuate from period to period for a number of reasons. Events such as a delay in product development or even a relatively small revenue shortfall may cause financial results for a period to be below our expectations or projections. As a result, our revenues and operating results and, in turn, our stock price may be subject to significant fluctuations.

Guidelines and recommendations published by various organizations can reduce the use of our products.

Government agencies promulgate regulations and guidelines directly applicable to us and to our products. However, professional societies, practice management groups, insurance carriers, physicians, private health/science foundations and organizations involved in various diseases from time to time may also publish guidelines or recommendations to healthcare providers, administrators and payers, and patient communities. Recommendations by government agencies or those other groups/organizations may relate to such matters as usage, dosage, route of administration and use of related therapies as well as reimbursement of our products by government and private payers. In addition, HTA organizations, such as the National Institute for Health and Clinical Excellence in the UK and the Canadian Agency for Drugs and Technologies in Health, make reimbursement recommendations to payers in their jurisdictions based on the clinical effectiveness, cost-effectiveness and service impact of new, emerging and existing medicines and treatments. Any recommendations or guidelines that result in decreased use, dosage or reimbursement of our products could materially and adversely affect our product sales, business and operating results. In addition, the perception by the investment community or stockholders that such recommendations or guidelines will result in decreased use and dosage of our products could adversely affect the market price for our common stock.

The commercialization of certain of our product candidates and the marketing of certain of our products is dependent in part on our partners.

We have entered into agreements with third parties to assist in the commercialization of certain of our product candidates and the marketing of certain of our products in specified geographic areas. (See Item 1. Business — Business Relationships.) Many of these agreements involve the sharing of certain decisions and a division of responsibilities, costs and benefits. If our partners fail to effectively deliver on their marketing and commercialization commitments to us or if we and our partners fail to coordinate our efforts effectively, sales of our products may be materially and adversely affected.

Cost savings initiatives may result in the carrying value of certain existing manufacturing facilities or other assets becoming impaired or other related charges being incurred.

Our business continues to face many challenges. In response to these challenges, we have worked and continue to work to improve cost efficiencies and to reduce discretionary expenditures. As part of those efforts, we undertake cost savings initiatives to evaluate our processes and procedures in order to identify opportunities for achieving greater efficiencies in how we conduct our business. In particular, we evaluate our manufacturing operations to identify opportunities to increase production yields and/or success rates as well as capacity utilization. Depending on the timing and outcomes of these cost savings initiatives, the carrying value of certain manufacturing or other assets may not be fully recoverable and could result in the recognition of impairment and/or other related charges. The recognition of such charges, if any, could have a material adverse effect on our results of operations.

There can be no assurance that we will continue to declare cash dividends.

Our Board of Directors has declared quarterly dividends on our common stock since it adopted a dividend policy in 2011. Whether we continue and the amount and timing of such dividends are subject to capital availability and periodic determinations by our Board of Directors that cash dividends are in the best interest of our stockholders and are in compliance with all respective laws and agreements of the Company applicable to the declaration and payment of cash dividends. Future dividends, including their timing and amount, may be affected by, among other factors: our views on potential future capital requirements for strategic transactions, including acquisitions; debt service requirements; our credit rating; changes to applicable tax laws or corporate laws; and changes to our business model. Our dividend payments may change from time to time, and we cannot provide assurance that we will continue to declare dividends in any particular amounts or at all. The reduction in or elimination of our dividend payments could have a negative effect on our stock price.

The illegal distribution and sale by third parties of counterfeit versions of our products or of stolen or diverted products could have a negative impact on our reputation and business.

Third parties may illegally distribute and sell counterfeit versions of our products, which do not meet the exacting standards of our Company's development, manufacturing and distribution processes. Counterfeit medicines pose a significant risk to patient health and safety because of the conditions under which they are manufactured and the lack of regulation of their contents. Counterfeit products are frequently unsafe or ineffective and can be potentially life-threatening. Our reputation and business could suffer harm as a result of counterfeit drugs sold under our brand name. In addition, products stolen from inventory, at warehouses, plants or while in transit or unlawfully diverted, which are not properly stored and which are sold through unauthorized channels, could adversely impact patient safety, our reputation and our business. Public loss of confidence in the integrity of biologics and/or pharmaceutical products as a result of counterfeiting or theft could have a material adverse effect on our product sales, business and results of operations.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

As of December 31, 2013, we owned or leased approximately 200 properties. The locations and primary functions of significant properties are summarized in the following table:

U.S. Location:	Manufacturing	Administrative	Research and/or development	Sales and marketing	Warehouse	Distribution center
Thousand Oaks, CA*	✓	✓	✓	✓	✓	✓
San Francisco, CA		✓	✓	✓		
Boulder, CO	✓	✓			✓	
Longmont, CO	✓	✓			✓	
Louisville, KY					✓	✓
Cambridge, MA			✓			
Woburn, MA	✓	✓			✓	
West Greenwich, RI	✓	✓			✓	
Bothell, WA			✓		✓	
Seattle, WA		✓	✓			
Other U.S. cities		✓	✓	✓		

Ex-U.S. Location:	Manufacturing	Administrative	Research and/or development	Sales and marketing	Warehouse	Distribution center
Brazil	✓	✓		✓	✓	✓
Canada		✓	✓	✓		
China		✓	✓	✓		
Germany		✓	✓	✓		
Ireland	✓	✓		✓	✓	
Japan		✓	✓	✓		
Netherlands	✓	✓		✓	✓	✓
Puerto Rico	✓	✓			✓	
Switzerland		✓	✓	✓		
Turkey	✓	✓		✓	✓	✓
United Kingdom		✓	✓	✓		
Other countries		✓	✓	✓	✓	

*Corporate headquarters

In addition to the properties listed above, we have undeveloped land at certain U.S. locations, principally in Thousand Oaks, California; Longmont, Colorado; Louisville, Kentucky; Allentown, Pennsylvania; West Greenwich, Rhode Island; Seattle and Bothell, Washington; Juncos, Puerto Rico; Dun Laoghaire, Ireland; and Singapore (under construction), to accommodate future expansion as required. Excluded from the table above are leased properties that have been abandoned and certain buildings that we still own but are no longer used in our business. There are no material encumbrances on our properties.

We believe that our facilities are suitable for their intended use and, in conjunction with our third-party contracting manufacturing agreements, provide adequate capacity. We also believe that our existing facilities, our third-party contract manufacturing agreements and our anticipated additions are sufficient to meet our expected needs. See Item 1A. Risk Factors for a discussion on the factors that could adversely impact our manufacturing operations and the global supply of our products.

See Item 1. Business — Manufacturing, Distribution and Raw Materials.

Item 3. LEGAL PROCEEDINGS

Certain of the legal proceedings in which we are involved are discussed in Note 18, Contingencies and commitments, to our Consolidated Financial Statements in this Annual Report on Form 10-K and are hereby incorporated by reference.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common stock

Our common stock trades on The NASDAQ Global Select Market under the symbol AMGN. As of February 13, 2014, there were approximately 7,955 holders of record of our common stock.

The following table sets forth, for the periods indicated, the range of high and low quarterly closing sales prices of the common stock as quoted on The NASDAQ Global Select Market:

Year ended December 31, 2013	High	Low
Fourth quarter	$ 118.69	$ 106.28
Third quarter	117.52	95.81
Second quarter	113.42	94.60
First quarter	102.51	82.08
Year ended December 31, 2012		
Fourth quarter	$ 90.17	$ 84.00
Third quarter	84.81	73.85
Second quarter	73.02	65.59
First quarter	69.84	63.76

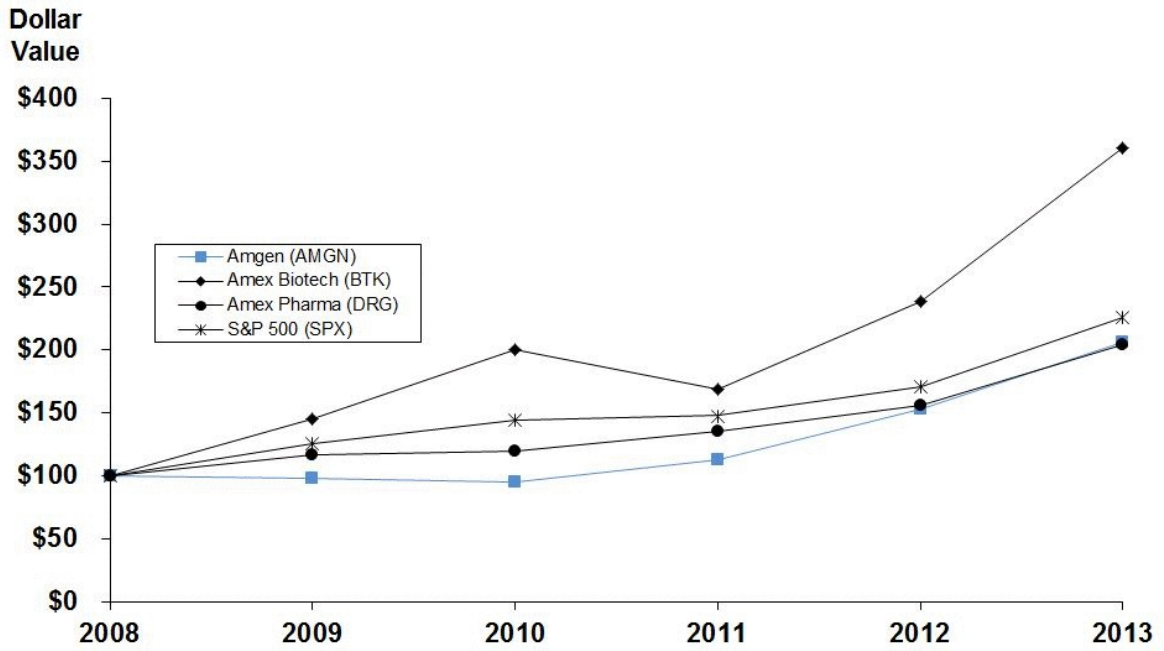
Performance graph

The following graph shows the value of an investment of $100 on December 31, 2008, in each of Amgen common stock, the Amex Biotech Index, the Amex Pharmaceutical Index and Standard & Poor's 500 Index (S&P 500). All values assume reinvestment of the pretax value of dividends and are calculated as of December 31 of each year. The historical stock price performance of the Company's common stock shown in the performance graph is not necessarily indicative of future stock price performance.

Amgen vs. Amex Biotech, Amex Pharmaceutical and S&P 500 Indices

Comparison of Five-Year Cumulative Total Return

Value of Investment of $100 on December 31, 2008



	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013
Amgen (AMGN)	100.00	97.96	95.06	112.40	153.15	206.03
Amex Biotech (BTK)	100.00	145.58	200.51	168.74	238.94	360.26
Amex Pharmaceutical (DRG)	100.00	116.98	119.92	135.41	155.59	204.15
S&P 500 (SPX)	100.00	125.93	144.60	147.63	170.95	225.73

The material in this performance graph is not soliciting material, is not deemed filed with the SEC, and is not incorporated by reference in any filing of the Company under the Securities Act or the Exchange Act, whether made on, before or after the date of this filing and irrespective of any general incorporation language in such filing.

Stock repurchase program

During the year ended December 31, 2013, we had one outstanding stock repurchase program. Our repurchase activity for the year ended December 31, 2013, was as follows:

	Total number of shares purchased	Average price paid per share[1]	Total number of shares purchased as part of publicly announced program	Maximum dollar value that may yet be purchased under the program[2]
January 1 - January 31	5,261,500	$ 85.30	5,261,500	$ 1,882,491,021
February 1 - February 28	3,811,000	84.66	3,811,000	1,559,838,541
March 1 - December 31	—		—	1,559,838,541
January 1 - December 31	9,072,500	$ 85.03	9,072,500	

(1) Average price paid per share includes related expenses.

(2) On December 13, 2012, our Board of Directors authorized the repurchase of an additional $2 billion of our common stock.

Dividends

For the years ended December 31, 2013 and 2012, we have been paying quarterly dividends. We expect to continue to pay quarterly dividends, although the amount and timing of any future dividends are subject to approval by our Board of Directors. Additional information required by this item is incorporated herein by reference to Note 15, Stockholders' equity, to the Consolidated Financial Statements.

Securities Authorized for Issuance Under Existing Equity Compensation Plans

Information about securities authorized for issuance under existing equity compensation plans is incorporated by reference from Item 12 — Securities Authorized for Issuance Under Existing Equity Compensation Plans.

Item 6. SELECTED FINANCIAL DATA

	Years ended December 31,				
Consolidated Statement of Income Data:	**2013**	**2012** [1]	**2011** [1]	**2010** [1]	**2009** [1]
	(In millions, except per share data)				
Revenues:					
Product sales	$ 18,192	$ 16,639	$ 15,295	$ 14,660	$ 14,351
Other revenues	484	626	287	393	291
Total revenues	18,676	17,265	15,582	15,053	14,642
Operating expenses:					
Cost of sales	3,346	3,199	2,708	2,501	2,372
Research and development	4,083	3,380	3,167	2,894	2,864
Selling, general and administrative	5,184	4,814	4,499	3,996	3,833
Other[2]	196	295	896	117	67
Net income	5,081	4,345	3,683	4,627	4,605
Diluted earnings per share	6.64	5.52	4.04	4.79	4.51
Dividends paid per share	1.88	1.44	0.56	—	—

	As of December 31,				
Consolidated Balance Sheet Data:	**2013**	**2012**	**2011**	**2010**	**2009**
	(In millions)				
Total assets	$ 66,125	$ 54,298	$ 48,871	$ 43,486	$ 39,629
Total debt[3]	32,128	26,529	21,428	13,362	10,601
Total stockholders' equity[4]	22,096	19,060	19,029	23,944	22,667

In addition to the following notes, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements and accompanying notes and previously filed Annual Reports on Form 10-K for further information regarding our consolidated results of operations and financial position for periods reported therein and for known factors that will impact comparability of future results. Also, see Note 15, Stockholders' equity, to the Consolidated Financial Statements, for information regarding cash dividends declared per share of common stock.

(1) Prior-period amounts for amortization of certain acquired intangible assets have been reclassified within Operating expenses in our Consolidated Statements of Income to conform to the current-period presentation.

(2) In 2011, we recorded a $780 million legal settlement charge ($705 million, net of tax) in connection with an agreement in principle to settle allegations related to our sales and marketing practices.

(3) See Note 14, Financing arrangements, to the Consolidated Financial Statements for discussion of our financing arrangements. In addition, in 2010 and 2009, we issued $2.5 billion and $2.0 billion, respectively, aggregate principal amount of notes. No debt was due or repaid in 2010. In 2009, we repaid $1.0 billion of fixed interest rate notes.

(4) Throughout the five years ended December 31, 2013, we had a share repurchase program authorized by the Board of Directors through which we repurchased $0.8 billion, $4.7 billion, $8.3 billion, $3.8 billion and $3.2 billion, respectively, of Amgen common stock.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking statements

This report and other documents we file with the SEC contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, our future performance, our business or others on our behalf, our beliefs and our management's assumptions. In addition, we, or others on our behalf, may make forward-looking statements in press releases or written statements, or in our communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls. Such words as "expect," "anticipate," "outlook," "could," "target," "project," "intend," "plan," "believe," "seek," "estimate," "should," "may," "assume" and "continue," as well as variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. We describe our respective risks, uncertainties and assumptions that could affect the outcome or results of operations in Item 1A. Risk Factors. We have based our forward-looking statements on our management's beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that actual outcomes and results may differ materially from what is expressed, implied or forecast by our forward-looking statements. Reference is made in particular to forward-looking statements regarding product sales, regulatory activities, clinical trial results, reimbursement, expenses, earnings per share (EPS), liquidity and capital resources, trends and planned dividends and stock repurchases. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update publicly any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions or otherwise.

Overview

The following management's discussion and analysis (MD&A) is intended to assist the reader in understanding Amgen's business. MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and accompanying notes. Our results of operations discussed in MD&A are presented in conformity with accounting principles generally accepted in the United States (GAAP).

Amgen is committed to unlocking the potential of biology for patients suffering from serious illnesses by discovering, developing, manufacturing and delivering innovative human therapeutics. This approach begins by using tools like advanced human genetics to unravel the complexities of disease and understand the fundamentals of human biology.

Amgen focuses on areas of high unmet medical need and leverages its biologics manufacturing expertise to strive for solutions that improve health outcomes and dramatically improve people's lives. A biotechnology pioneer since 1980, Amgen has grown to be the world's largest independent biotechnology company, has reached millions of patients around the world and is developing a pipeline of medicines with breakaway potential. Amgen operates in one business segment: human therapeutics. Therefore, our results of operations are discussed on a consolidated basis.

Our principal products include Neulasta®, NEUPOGEN®, ENBREL, Aranesp®, EPOGEN®, XGEVA®, Prolia® and Sensipar®/Mimpara®. For additional information about our products, see Item 1. Business — Marketing, Distribution and Selected Marketed Products.

Revenues increased 8% driven by strong performance across the portfolio. Product sales grew 10% in the United States and 8% in the rest of the world (ROW). We also continued paying quarterly dividends in 2013, and in December 2013, we declared a dividend of $0.61 per share of common stock payable in March 2014, representing a 30% increase over the quarterly dividend paid in each of the past four quarters. In addition to delivering strong operating results, we invested heavily in the business in 2013 and that is reflected in our pipeline advancements. We had positive readouts for evolocumab, talimogene laherparepvec and trebananib and also made progress on our biosimilars as we commenced pivotal trials for three of our six programs. We are now present in more than 75 countries including Japan, China and other emerging markets. This expansion was helped, in part, by our reacquiring rights to filgrastim and pegfilgrastim in Eastern Europe, Latin America, Asia, the Middle East and Africa, effective January 1, 2014. Finally, we added Kyprolis® to our marketed products portfolio through the acquisition of Onyx and in-licensed the U.S. commercial rights to ivabradine from Servier.

We expect 2014 to be a data-rich year with various opportunities to continue growing our business. We believe the currently approved indications for XGEVA® and Prolia® represent significant commercial opportunities. Longer-term growth may also be achieved by the successful development of 10 innovative molecules in our later stage pipeline, including Kyprolis® and evolocumab in both the United States and internationally. (See Item 1. Business — Research and Development and Selected Product Candidates.) Additionally, longer-term growth may be achieved by continued expansion into emerging markets and through strategic business development opportunities. Our continued focus on increasing cost efficiencies will assist in providing the necessary resources to fund many of these future opportunities.

Our business will, however, continue to face various challenges. Certain of our products will face increasing competitive pressure as a result of competitive product launches. Additionally, certain of the existing patents on our principal products — including NEUPOGEN ®, EPOGEN®, Neulasta®and Aranesp® — recently expired or will expire over the next few years, and we expect to face increasing competition from competitive products including biosimilars. For additional information, including information on the expiration of patents for various products, see Item 1. Business — Marketing, Distribution and Selected Marketed Products — Patents.

Current global economic conditions also pose challenges to our business, including continued pressure to reduce healthcare expenditures. Efforts to reduce healthcare costs are being made by third-party payers including governments and private payers. In the United States, various actions have been taken aimed at reducing healthcare spending. The continuing prominence of U.S. budget deficits increases the risk that taxes, fees, rebates, or other federal measures that would further reduce our revenues or increase our expenses may be enacted. As a result of economic conditions, the industry continues to experience significant pricing pressures and other cost containment measures in certain European countries also.

Our long-term success depends to a great extent on our ability to continue to discover, develop and commercialize innovative products and acquire or collaborate on therapies currently in development by other companies. The discovery and development of safe and effective new products, as well as the development of additional indications for existing products, are necessary for the continued strength of our business. We must develop new products over time in order to offset revenue losses when products lose their exclusivity or competing products are launched, as well as in order to provide for revenue and earnings growth. We devote considerable resources to R&D activities. However, successful product development in the biotechnology industry is highly uncertain. We are also confronted by increasing regulatory scrutiny of safety and efficacy both before and after products launch.

Finally, our product sales are subject to certain influences throughout the year, including wholesaler and end-user buying patterns (e.g., wholesaler and end-user stocking, contract-driven buying and patients delaying certain purchasing or physician visits). Such factors can result in higher demand for our products and/or higher wholesaler inventory levels and, therefore, higher product sales for a given three-month period, generally followed by a decline in product sales in the subsequent three-month period. For example, sales of certain of our products in the United States for the three months ended March 31 can be slightly lower relative to the immediately preceding three-month period. While this can result in variability in quarterly product sales on a sequential basis, these effects have generally not been significant when comparing product sales in the three months ended March 31 with product sales in the corresponding period of the prior year.

See Item 1. Business — Marketing, Distribution and Selected Marketed Products and Item 1A. Risk Factors for further discussion of certain of the factors that could impact our future product sales.

Selected financial information

The following is an overview of our results of operations (in millions, except percentages and per share data):

	2013	Change	2012
Product sales:			
U.S.	$ 14,045	10 %	$ 12,815
ROW	4,147	8 %	3,824
Total product sales	18,192	9 %	16,639
Other revenues	484	(23)%	626
Total revenues	$ 18,676	8 %	$ 17,265
Operating expenses	$ 12,809	10 %	$ 11,688
Operating income	$ 5,867	5 %	$ 5,577
Net income	$ 5,081	17 %	$ 4,345
Diluted EPS	$ 6.64	20 %	$ 5.52
Diluted shares	765	(3)%	787

In the following discussion of changes in product sales, any reference to unit growth or decline refers to changes in the purchases of our products by healthcare providers, such as physicians or their clinics, dialysis centers, hospitals and pharmacies.

The increase in U.S. product sales for 2013 reflects growth across the portfolio except for Aranesp ®, which declined 4%. The growth was driven primarily by increases in average net sales prices and, to a lesser extent, unit growth. The increase in ROW product sales for 2013 reflects growth for all of our marketed products except Aranesp®, which declined 7%, and NEUPOGEN®, which declined 9%. The ROW increase was driven by unit growth.

The decrease in other revenues for 2013 was due primarily to revenue recognized in the prior year related to changes in our motesanib collaboration with Takeda and milestone payments received in the prior year from AstraZeneca and Astellas Pharma Inc. The modification to the Takeda arrangement resulted in revenue recognition of $230 million in 2012 and resulted in Takeda receiving an exclusive license to develop, manufacture and commercialize motesanib.

The increase in operating expenses for 2013 was driven primarily by R&D and Selling, general and administrative (SG&A) spending including the addition of Onyx effective October 1, 2013.

The increase in net income for 2013 was due primarily to a lower effective income tax rate as well as higher Operating income.

The increase in diluted EPS for 2013 was driven primarily by an increase in net income and, to a lesser extent, by the favorable impact of our stock repurchase program in 2012 and the first quarter of 2013, which reduced the number of shares used to compute diluted EPS. We did not repurchase any shares during the second, third or fourth quarters of 2013.

Although changes in foreign currency exchange rates result in increases or decreases in our reported international product sales, the benefit or detriment that such movements have on our international product sales is offset partially by corresponding increases or decreases in our international operating expenses and our related foreign currency hedging activities. Our hedging activities seek to offset the impacts, both positive and negative, that foreign currency exchange rate changes may have on our net income by hedging our net foreign currency exposure, primarily with respect to product sales denominated in euros. The net impact from changes in foreign currency exchange rates was not material in 2013, 2012 or 2011.

Results of Operations

Product sales

Worldwide product sales were as follows (dollar amounts in millions):

	2013	Change	2012	Change	2011
Neulasta®/NEUPOGEN®	$ 5,790	8 %	$ 5,352	3 %	$ 5,212
ENBREL	4,551	7 %	4,236	14 %	3,701
Aranesp®	1,911	(6)%	2,040	(11)%	2,303
EPOGEN®	1,953	1 %	1,941	(5)%	2,040
XGEVA®	1,019	36 %	748	*	351
Prolia®	744	58 %	472	*	203
Sensipar®/Mimpara®	1,089	15 %	950	18 %	808
Other products	1,135	26 %	900	33 %	677
Total product sales	$ 18,192	9 %	$ 16,639	9 %	$ 15,295
Total U.S.	$ 14,045	10 %	$ 12,815	9 %	$ 11,725
Total ROW	4,147	8 %	3,824	7 %	3,570
Total product sales	$ 18,192	9 %	$ 16,639	9 %	$ 15,295

* Change in excess of 100%

Future sales of our products will depend, in part, on the factors discussed in the Overview, Item 1. Business — Marketing, Distribution and Selected Marketed Products — Competition, Item 1A. Risk Factors and any additional factors discussed in the individual product sections below.

Neulasta®/NEUPOGEN®

Total Neulasta® and total NEUPOGEN® sales by geographic region were as follows (dollar amounts in millions):

	2013	Change	2012	Change	2011
Neulasta® — U.S.	$ 3,499	9 %	$ 3,207	7 %	$ 3,006
Neulasta® — ROW	893	1 %	885	(6)%	946
Total Neulasta®	4,392	7 %	4,092	4 %	3,952
NEUPOGEN® — U.S.	1,169	16 %	1,007	5 %	959
NEUPOGEN® — ROW	229	(9)%	253	(16)%	301
Total NEUPOGEN®	1,398	11 %	1,260	— %	1,260
Total Neulasta®/NEUPOGEN®	$ 5,790	8 %	$ 5,352	3 %	$ 5,212

The increase in global Neulasta® sales for 2013 was driven by an increase in the average net sales price in the United States, offset partially by a decline in units. The increase in global NEUPOGEN® sales for 2013 was driven by a $155-million order from the U.S. government. Excluding the special order, U.S. sales grew only 1% and global sales declined 1%. Units declined in 2013 in both the United States and ROW.

The increase in U.S. Neulasta® sales for 2012 was driven by an increase in the average net sales price. The decrease in ROW Neulasta ® sales for 2012 was due primarily to a decrease in unit demand from loss of share to biosimilars in Europe and a decrease in the average net sales price.

The increase in U.S. NEUPOGEN® sales for 2012 was driven by an increase in the average net sales price. The decrease in ROW NEUPOGEN ® sales for 2012 was driven by a decrease in unit demand from loss of share to biosimilars in Europe.

Our material U.S. patents for filgrastim (NEUPOGEN®) expired in December 2013. We now face competition in the United States, which may have a material adverse impact over time on future sales of NEUPOGEN ® and, to a lesser extent, Neulasta®. Our outstanding material U.S. patent for pegfilgrastim (Neulasta®) expires in 2015.

Future Neulasta®/NEUPOGEN® sales will also depend, in part, on the development of new protocols, tests and/or treatments for cancer and/or new chemotherapy treatments or alternatives to chemotherapy that may have reduced and may continue to reduce the use of chemotherapy in some patients.

ENBREL

Total ENBREL sales by geographic region were as follows (dollar amounts in millions):

	2013	Change	2012	Change	2011
ENBREL — U.S.	$ 4,256	7%	$ 3,967	15%	$ 3,458
ENBREL — Canada	295	10%	269	11%	243
Total ENBREL	$ 4,551	7%	$ 4,236	14%	$ 3,701

The increase in ENBREL sales for 2013 was driven primarily by an increase in the average net sales price offset partially by slight unit declines.

The increase in ENBREL sales for 2012 was driven primarily by an increase in the average net sales price and, to a lesser extent, an increase in unit demand.

ENBREL also faces increased competition. See Item 1. Business — Marketing, Distribution and Selected Marketed Products — Competition.

Aranesp®

Total Aranesp® sales by geographic region were as follows (dollar amounts in millions):

	2013	Change	2012	Change	2011
Aranesp® — U.S.	$ 747	(4)%	$ 782	(21)%	$ 986
Aranesp® — ROW	1,164	(7)%	1,258	(4)%	1,317
Total Aranesp®	$ 1,911	(6)%	$ 2,040	(11)%	$ 2,303

The decreases in U.S. Aranesp® sales for both 2013 and 2012 were driven by declines in unit demand. The unit declines reflect changes in practice patterns resulting from changes to the label and to the reimbursement environment that occurred during 2011.

The decrease in ROW Aranesp® sales for 2013 reflects unit declines and price pressure in Europe. In 2012, the ROW decline was driven by a decrease in the average net sales price.

EPOGEN®

Total EPOGEN® sales were as follows (dollar amounts in millions):

	2013	Change	2012	Change	2011
EPOGEN® — U.S.	$ 1,953	1%	$ 1,941	(5)%	$ 2,040

EPOGEN® sales for 2013 increased by 1% due to unit growth.

The decrease in EPOGEN® sales for 2012 was driven by a 23% decrease in unit demand, driven by reductions in dose utilization due to changes to the label and to the reimbursement environment that occurred in 2011. This decrease was offset partially by reductions in customer discounts, as part of new provider contracts that became effective January 1, 2012, and by a year-over-year favorable change in accounting estimates of $96 million.

Future EPOGEN® sales will also depend, in part, on such factors as:

- response to changes in reimbursement including recent reduction to the ESRD payment bundle effective January 1, 2014;
- potential increased competition in the U.S. dialysis setting; and
- changes in dose utilization as healthcare providers continue to refine their treatment practices in accordance with approved labeling.

See Item 1. Business — Marketing, Distribution and Selected Marketed Products — Competition.

XGEVA® and Prolia®

Total XGEVA® and total Prolia® sales by geographic region were as follows (dollar amounts in millions):

	2013	Change	2012	Change	2011
XGEVA® — U.S.	$ 764	19%	$ 644	88%	$ 343
XGEVA® — ROW	255	*	104	*	8
Total XGEVA®	1,019	36%	748	*	351
Prolia® — U.S.	462	58%	292	*	130
Prolia® — ROW	282	57%	180	*	73
Total Prolia®	744	58%	472	*	203
Total XGEVA®/Prolia®	$ 1,763	45%	$ 1,220	*	$ 554

* Change in excess of 100%

The increases in global XGEVA® and Prolia® sales for 2013 and 2012 were driven primarily by unit growth.

Sequentially, global XGEVA® and Prolia® sales increased 10% and 33%, respectively, in the quarter ended December 31, 2013, compared with the quarter ended September 30, 2013.

In 2013, XGEVA® was launched in several additional countries including France and Spain and is now available in all major markets. XGEVA ® also faces increased competition. See Item 1. Business — Marketing, Distribution and Selected Marketed Products — Competition.

Sensipar®/Mimpara®

Total Sensipar®/Mimpara® sales by geographic region were as follows (dollar amounts in millions):

	2013	Change	2012	Change	2011
Sensipar® — U.S.	$ 757	18%	$ 639	23%	$ 518
Sensipar®/Mimpara® — ROW	332	7%	311	7%	290
Total Sensipar®/Mimpara®	$ 1,089	15%	$ 950	18%	$ 808

The increases in global Sensipar®/Mimpara® sales for 2013 and 2012 were driven primarily by unit growth and increases in the average net sales price in the United States.

Other products

Other product sales by geographic region were as follows (dollar amounts in millions):

	2013	Change	2012	Change	2011
Vectibix® — U.S.	$ 126	3%	$ 122	—%	$ 122
Vectibix® — ROW	263	11%	237	19%	200
Nplate® — U.S.	241	13%	214	31%	163
Nplate® — ROW	186	21%	154	15%	134
Kyprolis® — U.S.	71	N/A	—	N/A	—
Kyprolis® — ROW	2	N/A	—	N/A	—
Other — ROW	246	42%	173	*	58
Total other product sales	$ 1,135	26%	$ 900	33%	$ 677
Total U.S. — other products	$ 438	30%	$ 336	18%	$ 285
Total ROW — other products	697	24%	564	44%	392
Total other product sales	$ 1,135	26%	$ 900	33%	$ 677

* Change in excess of 100%

Operating expenses

Operating expenses were as follows (dollar amounts in millions):

	2013	Change	2012	Change	2011
Operating expenses:					
Cost of sales	$ 3,346	5 %	$ 3,199	18 %	$ 2,708
% of product sales	18.4%		19.2%		17.7%
Research and development	$ 4,083	21 %	$ 3,380	7 %	$ 3,167
% of product sales	22.4%		20.3%		20.7%
Selling, general and administrative	$ 5,184	8 %	$ 4,814	7 %	$ 4,499
% of product sales	28.5%		28.9%		29.4%
Other	$ 196	(34)%	$ 295	(67)%	$ 896

Cost of sales

Cost of sales decreased to 18.4% of product sales for 2013, driven primarily by lower royalties and higher average net sales prices, offset partially by changes in product mix. The excise tax imposed by Puerto Rico on the gross intercompany purchase price of goods and services from our manufacturer in Puerto Rico (Puerto Rico excise tax) also slightly contributed to the decrease. The rate was 4.0% in 2011, 3.75% in 2012, 2.75% in the first half of 2013 and 4.0% effective July 1, 2013 through December 31, 2017. See Note 4, Income taxes, to the Consolidated Financial Statements for further discussion of the Puerto Rico excise tax.

Cost of sales increased to 19.2% of product sales for 2012, driven primarily by product mix and the Puerto Rico excise tax.

Excluding the impact of the excise tax, cost of sales would have been 16.4%, 17.2% and 16.3% of product sales for 2013, 2012 and 2011, respectively.

Research and development

R&D costs are expensed as incurred and include primarily salaries, benefits and other staff-related costs; facilities and overhead costs; clinical trial and related clinical manufacturing costs; contract services and other outside costs; information systems' costs and amortization of acquired technology used in R&D with alternative future uses. R&D expenses also include costs and cost recoveries associated with K-A and third-party R&D arrangements, including upfront fees and milestones paid to third parties in connection with technologies which had not reached technological feasibility and did not have an alternative future use. Net payment or reimbursement of R&D costs is recognized when the obligations are incurred or as we become entitled to the cost recovery.

The Company groups all of its R&D activities and related expenditures into three categories: (1) Discovery Research and Translational Sciences, (2) later stage clinical programs and (3) marketed products. These categories include the Company's R&D activities as set forth in the following table:

Category	Description
Discovery Research and Translational Sciences	R&D expenses incurred in activities substantially in support of early research through the completion of phase 1 clinical trials. These activities encompass our discovery research and translational sciences functions, including drug discovery, toxicology, pharmacokinetics and drug metabolism, and process development.
Later stage clinical programs	R&D expenses incurred in or related to phase 2 and phase 3 clinical programs intended to result in registration of a new product or a new indication for an existing product in the United States or the EU.
Marketed products	R&D expenses incurred in support of the Company's marketed products that are authorized to be sold in the United States or the EU. Includes clinical trials designed to gather information on product safety (certain of which may be required by regulatory authorities) and their product characteristics after regulatory approval has been obtained, as well as the costs of obtaining regulatory approval of a product in a new market after approval in either the United States or the EU has been obtained.

R&D expense by category was as follows (in millions):

	2013	2012	2011
Discovery Research and Translational Sciences	$ 1,233	$ 1,137	$ 1,125
Later stage clinical programs	1,950	1,285	983
Marketed products	900	958	1,059
Total R&D expense	$ 4,083	$ 3,380	$ 3,167

The increase in R&D expense for 2013 was driven primarily by an increase of $665 million in our later stage clinical programs, including evolocumab and Kyprolis®; and an increase of $96 million in Discovery Research and Translational Sciences activities, offset partially by reduced expenses associated with marketed product support of $58 million.

The increase in R&D expense for 2012 was driven primarily by an increase of $302 million in our later stage clinical programs, including evolocumab and romosozumab; and an increase of $12 million in Discovery Research and Translational Sciences activities, offset partially by reduced expenses associated with marketed product support of $101 million.

Selling, general and administrative

SG&A expenses are comprised primarily of salaries, benefits and other staff-related costs associated with sales and marketing, finance, legal and other administrative personnel; facilities and overhead costs; outside marketing, advertising and legal expenses; the annual U.S. healthcare reform federal excise fee; and other general and administrative costs. Advertising costs are expensed as incurred. SG&A expenses also include costs and cost recoveries associated with marketing and promotion efforts under certain collaboration arrangements. Net payment or reimbursement of SG&A costs is recognized when the obligations are incurred or when we become entitled to the cost recovery.

The increase in SG&A expense for 2013 was driven primarily by the addition of Onyx of $276 million, of which $215 million was acquisition-related and does not have a continuing impact on the combined company's operating results. Included in these costs are advisory, legal and regulatory costs, and compensation related payments. The compensation payments include cash

payments for accelerated vesting of equity awards as part of the acquisition that were previously granted under the Onyx equity award programs which would not have otherwise vested. SG&A also increased by $98 million related primarily to favorable changes in 2012 to the estimated U.S. healthcare reform federal excise fee.

The increase in SG&A expense for 2012 was driven primarily by higher ENBREL profit share expenses of $207 million as well as international expansion, offset partially by lower U.S. healthcare reform federal excise fee expense of $106 million in 2012 compared with 2011, which includes a $61 million favorable adjustment related to the 2011 fee.

Historically, under our ENBREL collaboration agreement, we paid Pfizer a percentage of annual gross profits on our ENBREL sales in the United States and Canada on a scale that increased with gross profits. The ENBREL co-promotion term expired on October 31, 2013, and we are now required to pay Pfizer residual royalties on a declining percentage of net ENBREL sales in the United States and Canada of 12% through October 31, 2014, 11% through October 31, 2015 and 10% through October 31, 2016.

Other

Other operating expenses for 2013 included $113 million of adjustments to our estimated contingent consideration liability related to the BioVex Group, Inc. (BioVex) business combination, certain charges related to our cost savings initiatives of $71 million, which includes severance expenses, and $12 million of other charges related primarily to legal proceedings.

Other operating expenses for 2012 included charges of $175 million related to our cost savings initiatives, which includes severance and expenses associated with abandoning leased facilities, legal charges of $64 million and other operating expenses of $56 million, which includes adjustments to our estimated contingent consideration liability related to the BioVex business combination.

Other operating expenses for 2011 included primarily a legal settlement charge of $780 million and charges related to cost savings initiatives, primarily severance, of $109 million.

See Item 1. Government Regulation — Other Regulation and Note 8, Other charges, to the Consolidated Financial Statements for further discussion of our legal settlement.

Non-operating expenses/income and provision for income taxes

Non-operating expenses/income and provisions for income taxes were as follows (dollar amounts in millions):

	2013	2012	2011
Interest expense, net	$ 1,022	$ 1,053	$ 610
Interest and other income, net	$ 420	$ 485	$ 448
Provisions for income taxes	$ 184	$ 664	$ 467
Effective tax rate	3.5%	13.3%	11.3%

Interest expense, net

The decrease in interest expense, net in 2013 was due primarily to the decrease in non-cash interest resulting from the settlement of our 0.375% 2013 Convertible Notes in February 2013 offset partially by increases resulting from the higher average balance of other outstanding debt and financing fees paid in association with the acquisition of Onyx. The increase in interest expense, net in 2012 was due primarily to a higher average debt balance.

Interest and other income, net

The decrease in interest and other income, net for 2013 was due primarily to lower net gains on sales of investments recognized in the current year. The increase in interest and other income, net for 2012 was due primarily to higher interest income due to a higher average balance of cash, cash equivalents and marketable securities offset partially by lower yields and lower net gains realized on investments.

Income taxes

The decrease in our effective rate for 2013 was due primarily to three significant events occurring in 2013: (i) the acquisition of Onyx, which resulted in a tax benefit of $182 million; (ii) the $187 million settlement of our examination with the Internal Revenue Service (IRS) for the years ended December 31, 2007, 2008 and 2009 in which we agreed to certain adjustments proposed by the IRS and remeasured our unrecognized tax benefits (UTBs) accordingly; and (iii) the reinstatement of the federal R&D tax credit for 2012 and 2013. Because the American Taxpayer Relief Act of 2012 was not enacted until 2013, certain provisions of the Act benefiting the Company's 2012 federal taxes, including the retroactive extension of the R&D tax credit for 2012, were not

recognized in the Company's 2012 financial results and instead are reflected in the Company's 2013 financial results. The tax benefit of the retroactive extension of the 2012 R&D tax credit that was recognized in 2013 was $70 million. Additionally, our rate was further reduced by the indefinitely reinvested earnings of our foreign operations.

The increase in our effective tax rate for 2012 was due primarily to the unfavorable tax impact of changes in the jurisdictional mix of income and expenses and the exclusion of the federal R&D tax credit in 2012, offset partially by the favorable resolution of certain state tax matters related to prior years.

The effective tax rates for 2013, 2012 and 2011 would have been approximately 9.2%, 18.7%, and 18.0%, respectively, without the impact of the tax credits associated with the Puerto Rico excise tax.

As permitted under U.S. GAAP, we do not provide for U.S. income taxes on undistributed earnings of our foreign operations that are intended to be invested indefinitely outside the United States.

See Summary of Critical Accounting Policies — Income taxes and Note 4, Income taxes, to the Consolidated Financial Statements for further discussion.

Financial Condition, Liquidity and Capital Resources

Selected financial data was as follows as of December 31, 2013 and 2012 (in millions):

	2013	2012
Cash, cash equivalents and marketable securities	$ 19,401	$ 24,061
Restricted investments	3,412	—
Total cash, cash equivalents, marketable securities and restricted investments	$ 22,813	$ 24,061
Total assets	66,125	54,298
Current portion of long-term debt	2,505	2,495
Long-term debt	29,623	24,034
Stockholders' equity	22,096	19,060

The Company intends to continue to return capital to stockholders through the payment of cash dividends, reflecting our confidence in the future cash flows of our business. Whether and when we declare dividends and the size of any dividend could be affected by a number of additional factors. (See Item 1A. Risk Factors — There can be no assurance that we will continue to declare cash dividends). In April 2011, the Board of Directors approved a dividend policy related to our common stock and subsequently declared quarterly cash dividends of $0.28 per share of common stock during the second half of 2011. Subsequently, the Board of Directors declared a 29% increase in our quarterly cash dividends to $0.36 per share of common stock in 2012, and a 31% increase in our quarterly cash dividends to $0.47 per share of common stock in 2013. In December 2013, the Board of Directors declared a 30% increase in our quarterly cash dividend to $0.61 per share of common stock, payable in March 2014.

The Company has also returned capital to stockholders through its stock repurchase program. During 2011, 2012 and 2013, we spent $8.3 billion, $4.6 billion and $832 million, respectively, to repurchase shares of our common stock. As of December 31, 2013, $1.6 billion remains available under the Board of Directors-approved stock repurchase program; however, we do not expect to make significant repurchases of our common stock during 2014 and 2015.

In connection with the acquisition of Onyx in October 2013, we entered into a Repurchase Agreement and a Term Loan Credit Facility. See Note 2, Business combinations to the Consolidated Financial Statements. Pursuant to the Repurchase Agreement, we sold 34,097 Class A preferred shares of one of our wholly-owned subsidiaries, ATL Holdings Limited, on September 30, 2013. We are obligated to repurchase the Class A preferred shares from the counterparties on or before September 28, 2018, for the aggregate sale price of $3.1 billion. Under the Repurchase Agreement, which is accounted for as long-term debt, we are obligated to make payments to the counterparties based on the sale price of the outstanding preferred shares at a floating interest rate of London Interbank Offered Rates (LIBOR) plus 1.1%. The Repurchase Agreement contains customary events of default, and we have the right to repurchase all or a portion of the Class A preferred shares at any time prior to the required repurchase date.

On October 1, 2013, we borrowed $5.0 billion under a Term Loan Credit Facility which bears interest at a floating rate based on LIBOR plus additional interest, initially 1%, which can vary based on the credit ratings assigned to our long-term debt by Standard & Poor's Financial Services LLC (S&P) and Moody's Investor Service, Inc. (Moody's). A portion of the principal amount of this debt is to be repaid at the end of each quarter equal to 2.5% of the original amount of the loan, or $125 million, with the balance due on October 1, 2018.

In February 2013, our 0.375% 2013 Convertible Notes matured/converted, and accordingly, the $2.5 billion principal amount was settled in cash. In addition, in May 2013, warrants to acquire 32 million shares of our common stock at an exercise price of $104.80 originally sold in connection with the issuance of the 0.375% 2013 Convertible Notes were exercised resulting in a net cash payment of $100 million.

We believe that existing funds, cash generated from operations and existing sources of and access to financing are adequate to satisfy our needs for working capital; capital expenditure and debt service requirements; our plans to pay dividends; and other business initiatives we plan to strategically pursue, including acquisitions and licensing activities, in each case for the foreseeable future. We anticipate that our liquidity needs can be met through a variety of sources, including cash provided by operating activities, sales of marketable securities, borrowings through commercial paper and/or our revolving credit agreement and access to other domestic and foreign debt markets and equity markets. With respect to our U.S. operations, we believe that existing funds intended for use in the United States; cash generated from our U.S. operations, including intercompany payments and receipts; and existing sources of and access to financing (collectively referred to as "U.S. funds") are adequate to continue to meet our U.S. obligations (including our plans to pay dividends with U.S. funds) for the foreseeable future. See Item 1A. Risk Factors — Global economic conditions may negatively affect us and may magnify certain risks that affect our business.

A significant portion of our operating cash flows is dependent on the timing of payments from our customers located in the United States and, to a lesser extent, our customers outside the United States, which include government-owned or -supported healthcare providers (government healthcare providers). Payments from these government healthcare providers are dependent in part on the economic stability and creditworthiness of their applicable country. Historically, some payments from a number of European government healthcare providers have extended beyond the contractual terms of sale, and regional economic uncertainty continues. In particular, credit and economic conditions in Southern Europe, particularly in Spain, Italy, Greece and Portugal, continue to adversely impact the timing of collections of our trade receivables in this region. As of December 31, 2013, accounts receivable in these four countries totaled $419 million, of which $301 million was past due. Although economic conditions in this region may continue to affect the average length of time it takes to collect payments, to date we have not incurred any significant losses related to these receivables; and the timing of payments in these countries has not had nor is it currently expected to have a material adverse impact on our overall operating cash flows. However, if government funding for healthcare were to become unavailable in these countries or if significant adverse adjustments to past payment practices were to occur, we might not be able to collect the entire balance of these receivables. We will continue working closely with these customers, monitoring the economic situation and taking appropriate actions as necessary.

Cash, cash equivalents, marketable securities and restricted investments

Of our total cash, cash equivalents, marketable securities and restricted investment balances totaling approximately $22.8 billion as of December 31, 2013, approximately $20.9 billion was generated from operations in foreign tax jurisdictions and is intended to be invested indefinitely outside the United States. Under current tax laws, if these funds were repatriated for use in our U.S. operations, we would be required to pay additional income taxes at the tax rates then in effect.

The primary objective of our investment portfolio is to enhance overall returns in an efficient manner while maintaining safety of principal, prudent levels of liquidity and acceptable levels of risk. Our investment policy limits debt security investments to certain types of debt and money market instruments issued by institutions with primarily investment grade credit ratings and places restrictions on maturities and concentration by asset class and issuer.

Financing arrangements

The current and noncurrent portions of our long-term borrowings at December 31, 2013, were $2.5 billion and $29.6 billion, respectively. The current and noncurrent portions of our long-term borrowings at December 31, 2012, were $2.5 billion and $24.0 billion, respectively. As of December 31, 2013, S&P, Moody's and Fitch, Inc. assigned credit ratings to our outstanding senior notes of A with a stable outlook, Baa1 with a negative outlook and BBB with a negative outlook, respectively, which are considered investment grade. Unfavorable changes to these ratings may have an adverse impact on future financings and would affect the interest rate paid under our Term Loan Credit Facility.

We issued long-term debt during the three years ended December 31, 2013, including $8.1 billion, $5.0 billion, and $10.5 billion aggregate principal amounts in 2013, 2012 and 2011, respectively. We repaid debt of $3.4 billion, $123 million, and $2.5 billion during the years ended December 31, 2013, 2012 and 2011, respectively.

To achieve a desired mix of fixed and floating interest rate debt, we entered into interest rate swap contracts that effectively converted a fixed-rate interest coupon for certain of our debt issuances to a floating LIBOR-based coupon over the life of the respective note. These interest rate swap contracts qualified and were designated as fair value hedges. In 2013, we entered into interest rate swap contracts with an aggregate notional amount of $4.4 billion. In addition, we previously had interest rate swap contracts on debt with an aggregate face value of $3.6 billion which, due to historically low interest rates, were terminated in May

2012. See Note 14, Financing arrangements, and Note 17, Derivative instruments, to the Consolidated Financial Statements for further discussion of our interest rate swap contracts.

To hedge our exposure to foreign currency exchange rate risk associated with certain of our long-term notes denominated in foreign currencies, we entered into cross-currency swap contracts, which effectively convert the interest payments and principal repayment of the respective notes from euros/pounds sterling to U.S. dollars. These cross-currency swap contracts qualify and are designated as cash flow hedges. As of December 31, 2013 and 2012, we had cross-currency swap contracts with aggregate notional amounts of $2.7 billion. See Note 17, Derivative instruments, to the Consolidated Financial Statements for further discussion of our cross-currency swap contracts.

As of December 31, 2013, we have a commercial paper program that allows us to issue up to $2.5 billion of unsecured commercial paper to fund our working capital needs. At December 31, 2013 and 2012, we had no amounts outstanding under our commercial paper program.

In December 2011, we entered into a $2.5 billion syndicated, unsecured, revolving credit agreement which is available for general corporate purposes or as a liquidity backstop to our commercial paper program. The commitments under the revolving credit agreement may be increased by up to $500 million with the agreement of the banks. Each bank which is a party to the agreement has an initial commitment term of five years. This term may be extended for up to two additional one-year periods with the agreement of the banks. Annual commitment fees for this agreement are 0.1% based on our current credit rating. Generally, we would be charged interest at LIBOR plus 0.9% for any amounts borrowed under this facility. As of December 31, 2013 and 2012, no amounts were outstanding under this facility.

In March 2011, we filed a shelf registration statement with the SEC which allows us to issue unspecified amounts of debt securities; common stock; preferred stock; warrants to purchase debt securities, common stock, preferred stock or depository shares; rights to purchase common stock or preferred stock; securities purchase contracts; securities purchase units; and depository shares. Under this shelf registration statement, all of the securities available for issuance may be offered from time to time with terms to be determined at the time of issuance. This shelf registration statement expires in March 2014 and is expected to be renewed before its expiration date.

In 1997, we established a $400 million medium-term note program under which medium-term debt securities may be offered from time to time with terms to be determined at the time of issuance. As of December 31, 2013 and 2012, no securities were outstanding under this medium-term note program.

Certain of our financing arrangements contain non-financial covenants. In addition, our revolving credit agreement and Term Loan Credit Facility each includes a financial covenant with respect to the level of our borrowings in relation to our equity, as defined. We were in compliance with all applicable covenants under these arrangements as of December 31, 2013.

See Note 14, Financing arrangements, to the Consolidated Financial Statements for further discussion of our financing arrangements.

Cash flows

A summary of our cash flow activity was as follows (in millions):

	2013	2012	2011
Net cash provided by operating activities	$ 6,291	$ 5,882	$ 5,119
Net cash used in investing activities	(8,469)	(9,990)	(786)
Net cash provided by (used in) financing activities	2,726	419	(674)

Operating

Cash provided by operating activities has been and is expected to continue to be our primary recurring source of funds. Cash provided by operating activities increased during 2013 due primarily to the 2012 impacts of the payment associated with a previously disclosed litigation settlement and higher payments to taxing authorities, offset partially by cash receipts in 2012 of $397 million in connection with the termination of interest rate swap agreements and $197 million received under a government-funded program in Spain with regard to trade receivables. Cash provided by operating activities increased during 2012 compared with 2011 due primarily to the timing and amount of receipts from customers, timing of payments to vendors and taxing authorities, cash received in connection with the termination of our interest rate swap agreements discussed above and the impact of decreased inventory-related expenditures. These increases were offset partially by a payment associated with the previously disclosed litigation settlement.

Investing

Capital expenditures, which were associated primarily with manufacturing capacity expansions in Ireland and Puerto Rico, as well as other site developments, totaled $693 million, $689 million and $567 million in 2013, 2012 and 2011, respectively. We currently estimate 2014 spending on capital projects and equipment to be approximately $800 million.

Cash used in investing activities during the years ended December 31, 2013, 2012 and 2011, also included the cost of acquiring certain businesses, net of cash acquired, which totaled $9.4 billion, $2.4 billion and $701 million, respectively.

Net sales of marketable securities were $2.2 billion for 2013, compared to net purchases of $6.9 billion for 2012 and net sales of $437 million for 2011.

Financing

Cash provided by financing activities during 2013 was due to net proceeds from the issuance of long-term debt of $ 8.1 billion and net proceeds from the issuance of common stock in connection with the Company's equity award programs of $ 296 million. These receipts were offset partially by the repayment of long-term debt of $3.4 billion, the payment of dividends of $1.4 billion, and repurchases of our common stock of $832 million. Cash provided by financing activities during 2012 was due to net proceeds from the issuance of long-term debt of $ 4.9 billion and net proceeds from the issuance of common stock in connection with the Company's equity award programs of $ 1.3 billion, offset partially by repurchases of common stock of $4.6 billion and the payment of dividends of $1.1 billion. Cash used in financing activities during 2011 was due to the repurchases of our common stock of $8.3 billion; repayment of long-term debt of $2.5 billion; and payment of dividends of $500 million, offset partially by net proceeds from the issuance of long-term debt of $10.4 billion.

See Note 14, Financing arrangements, and Note 15, Stockholders' equity, to the Consolidated Financial Statements for further discussion.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that are material or reasonably likely to become material to our consolidated financial position or consolidated results of operations.

Contractual Obligations

Contractual obligations represent future cash commitments and liabilities under agreements with third parties, and exclude contingent liabilities for which we cannot reasonably predict future payment. Additionally, the expected timing of payment of the obligations presented below is estimated based on current information. Timing of payments and actual amounts paid may be different depending on the timing of receipt of goods or services or changes to agreed-upon terms or amounts for some obligations.

The following table represents our contractual obligations as of December 31, 2013, aggregated by type (in millions):

	Payments due by period				
Contractual obligations	Total	Year 1	Years 2 and 3	Years 4 and 5	Years 6 and beyond
Long-term debt obligations [1][2][3][4]	$ 50,245	$ 3,625	$ 5,007	$ 12,412	$ 29,201
Operating lease obligations	905	140	239	181	345
Purchase obligations [5]	2,249	895	450	245	659
UTBs [6]	—	—	—	—	—
Total contractual obligations	$ 53,399	$ 4,660	$ 5,696	$ 12,838	$ 30,205

[1] Long-term debt obligations include future interest payments which are included in our financing arrangements at the fixed contractual coupon rates. To achieve a desired mix of fixed and floating interest rate debt, we enter into interest rate swap contracts that effectively convert a fixed rate interest coupon for certain of our debt issuances to a floating LIBOR-based coupon over the life of the respective note. We used an interest rate forward curve at December 31, 2013, in computing net amounts to be paid or received under our interest rate swap contracts which resulted in an aggregate net increase in future interest payments of $68 million. See Note 14, Financing arrangements, to the Consolidated Financial Statements for further discussion of our interest swap contracts.

(2) Long-term debt obligations include future interest payments under our Master Repurchase Agreement and Term Loan at LIBOR-based variable rates of interest. We used an interest rate forward curve at December 31, 2013, in computing interest payments on these debt obligations. See Note 14, Financing arrangements, to the Consolidated Financial Statements for further discussion of these debt obligations.

(3) Long-term debt obligations include contractual interest payments and principal repayment of our debt obligations. In order to hedge our exposure to foreign currency exchange rate risk associated with certain of our pound sterling and euro denominated long-term debt issued in 2012 and 2011, we entered into cross-currency swap contracts that effectively convert interest payments and principal repayment on this debt from pounds sterling/euros to U.S. dollars. For purposes of this table, we used the contracted exchange rates in the cross-currency swap contracts to compute the net amounts of future interest payments and principal repayments on this debt. See Note 17, Derivative instruments, to the Consolidated Financial Statements for further discussion of our cross-currency swap contracts.

(4) Interest payments and the repayment of principal on our 4.375% 2018 euro Notes were translated into U.S. dollars at the foreign currency exchange rate in effect at December 31, 2013. See Note 14, Financing arrangements, to the Consolidated Financial Statements for further discussion of our long-term debt obligations.

(5) Purchase obligations relate primarily to (i) our long-term supply agreements with third-party manufacturers, which are based on firm commitments for the purchase of production capacity; (ii) R&D commitments (including those related to clinical trials) for new and existing products; (iii) capital expenditures; and (iv) open purchase orders for the acquisition of goods and services in the ordinary course of business. Our obligation to pay certain of these amounts may be reduced based on certain future events.

(6) Liabilities for UTBs (net of foreign tax credits and federal tax benefit of state taxes) and related accrued interest and penalties totaling approximately $1.3 billion at December 31, 2013, are not included in the table above because, due to their nature, there is a high degree of uncertainty regarding the timing of future cash outflows and other events that extinguish these liabilities.

In addition to amounts in the table above, we are contractually obligated to pay additional amounts, which in the aggregate are significant, upon the achievement of various development, regulatory and commercial milestones for agreements we have entered into with third parties, including contingent consideration incurred or assumed in the acquisitions of BioVex and Onyx. These payments are contingent upon the occurrence of various future events, substantially all of which have a high degree of uncertainty of occurring. These contingent payments have not been included in the table above, and, except with respect to the fair value of the contingent consideration obligations, are not recorded on our Consolidated Balance Sheets. As of December 31, 2013, the maximum amount that may be payable in the future for agreements we have entered into with third parties is approximately $3.3 billion, including $875 million of contingent consideration payments in connection with the acquisitions of BioVex and Onyx. See Note 2, Business combinations, to the Consolidated Financial Statements.

Summary of Critical Accounting Policies

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the notes to the financial statements. Some of those judgments can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions or conditions.

Product sales and sales deductions

Revenues from sales of our products are recognized when the products are shipped and title and risk of loss have passed. Product sales are recorded net of accruals for estimated rebates, wholesaler chargebacks, cash discounts and other deductions (collectively, "sales deductions") and returns, which are established at the time of sale.

We analyze the adequacy of our accruals for sales deductions quarterly. Amounts accrued for sales deductions are adjusted when trends or significant events indicate that adjustment is appropriate. Accruals are also adjusted to reflect actual results. Amounts recorded in Accrued liabilities in the Consolidated Balance Sheets for sales deductions were as follows (in millions):

	Rebates	Chargebacks	Other deductions	Total
Balance as of January 1, 2011	$ 844	$ 173	$ 127	$ 1,144
Amounts charged against product sales	1,795	2,626	670	5,091
Payments	(1,592)	(2,600)	(717)	(4,909)
Balance as of December 31, 2011	1,047	199	80	1,326
Amounts charged against product sales	1,480	2,709	659	4,848
Payments	(1,680)	(2,741)	(624)	(5,045)
Balance as of December 31, 2012	847	167	115	1,129
Amounts charged against product sales	1,784	3,008	669	5,461
Payments	(1,736)	(2,924)	(682)	(5,342)
Balance as of December 31, 2013	$ 895	$ 251	$ 102	$ 1,248

For the years ended December 31, 2013, 2012 and 2011, total sales deductions were 23%, 23% and 25% of gross product sales, respectively. Included in these amounts are immaterial adjustments related to prior-year sales due to changes in estimates. Such amounts represent 3% or less of the aggregate sales deductions charged against product sales in each of the three years ended December 31, 2013.

In the United States, we utilize wholesalers as the principal means of distributing our products to healthcare providers, such as physicians or their clinics, dialysis centers, hospitals and pharmacies. Products we sell in the EU are distributed principally to hospitals and/or wholesalers depending on the distribution practice in each country where the product is sold. We monitor the inventory levels of our products at our wholesalers by using data from our wholesalers and other third parties, and we believe wholesaler inventories have been maintained at appropriate levels (generally two to three weeks) given end-user demand. Accordingly, historical fluctuations in wholesaler inventory levels have not significantly impacted our method of estimating sales deductions and returns.

Accruals for sales deductions are based primarily on estimates of the amounts earned or to be claimed on the related sales. These estimates take into consideration current contractual and statutory requirements, specific known market events and trends, internal and external historical data and forecasted customer buying patterns. Sales deductions are substantially product-specific and, therefore, for any given year, can be impacted by the mix of products sold.

Rebates include primarily amounts paid to payers and providers in the United States, including those paid to state Medicaid programs, and are based on contractual arrangements or statutory requirements which vary by product, by payer and individual payer plans. As we sell product, we estimate the amount of rebate that will be paid by us based on the product sold, contractual terms, estimated patient population, historical experience and wholesaler inventory levels and accrue these rebates in the period the related sale is recorded. We then adjust the rebate accruals as more information becomes available and to reflect actual claims experience. Estimating such rebates is complicated, in part, due to the time delay between the date of sale and the actual settlement of the liability, which can take more than one year. We believe the methodology we use to accrue for rebates is reasonable and appropriate given current facts and circumstances. However, actual results may differ. For example, we had managed Medicaid rebate adjustments of $164 million in 2013. Including this adjustment, changes in annual estimates related to prior annual periods were less than 10% of the estimated rebate amounts charged against product sales for the years ended December 31, 2013 and 2012, and less than 5% for the year ended December 31, 2011. A 10% change in our rebate estimate attributable to rebates recognized

in 2013 would have had an impact of approximately $180 million, or approximately 1% of our 2013 product sales and a corresponding impact on our financial condition and liquidity.

Wholesaler chargebacks relate to our contractual agreements to sell products to healthcare providers in the United States at fixed prices that are lower than the prices we charge wholesalers. When healthcare providers purchase our products through wholesalers at these reduced prices, wholesalers charge us for the difference between their purchase price and the contractual price between Amgen and the healthcare providers. The provision for chargebacks is based on the expected sales by our wholesaler customers to healthcare providers. Accruals for wholesaler chargebacks are less difficult to estimate than rebates and closely approximate actual results since chargeback amounts are fixed at the date of purchase by the healthcare providers, and we generally settle the liability for these deductions within a few weeks.

Product returns

Returns are estimated through comparison of historical return data to their related sales on a production lot basis. Historical rates of return are determined for each product and are adjusted for known or expected changes in the marketplace specific to each product, when appropriate. In each of the last three years, sales return provisions have amounted to less than 1% of gross product sales. Changes in estimates for prior year sales return provisions have historically been insignificant.

Income taxes

The Company provides for income taxes based on pretax income, applicable tax rates and tax planning opportunities available in the various jurisdictions in which it operates.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements on a particular tax position are measured based on the largest benefit that is more likely than not to be realized. The amount of UTBs is adjusted as appropriate for changes in facts and circumstances, such as significant amendments to existing tax law, new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, or resolution of an examination. We believe our estimates for uncertain tax positions are appropriate and sufficient for any assessments that may result from examinations of our tax returns. We recognize both accrued interest and penalties, where appropriate, related to UTBs in income tax expense.

Certain items are included in the Company's tax return at different times than they are reflected in the financial statements and cause temporary differences between the tax basis of assets and liabilities and their reported amount. Such temporary differences create deferred tax assets and liabilities. Deferred tax assets are generally items that can be used as a tax deduction or credit in the tax return in future years but for which the Company has already recorded the tax benefit in the financial statements. The Company establishes valuation allowances against its deferred tax assets when the amount of expected future taxable income is not likely to support the use of the deduction or credit. Deferred tax liabilities are either: (i) tax expenses recognized in the financial statements for which payment has been deferred; (ii) expenses for which the Company has already taken a deduction on the tax return, but has not yet recognized the expense in the financial statements; or (iii) liabilities for the difference between the book basis and tax basis of the intangible assets acquired in many business combinations, as future expenses associated with these assets most often will not be tax deductible.

The Company is a vertically integrated enterprise with operations in the U.S. and various foreign jurisdictions. The Company is subject to income tax in the foreign jurisdictions where it conducts activities based on the tax laws and principles of such jurisdictions and the functions, risks and activities performed therein. The Company’s pretax income is therefore attributed to domestic or foreign sources based on the operations performed in each location and the tax laws and principles of the respective taxing jurisdictions. For example, the Company conducts significant operations outside the United States in Puerto Rico pertaining to manufacturing, distribution and other related functions to meet its worldwide product demand. Income from the Company’s operations in Puerto Rico is subject to a tax incentive grant that expires in 2020.

Our effective tax rate reflects the impact of undistributed foreign earnings for which no U.S. income taxes or foreign withholding taxes have been provided because such earnings are intended to be invested indefinitely outside the United States. Substantially all of this benefit is attributable to the Company’s foreign income associated with the Company’s operations conducted in Puerto Rico.

If future events, including material changes in cash, working capital and long-term investment requirements necessitate that certain assets associated with these earnings be repatriated to the United States, under current tax laws an additional tax provision and related liability would be required at the applicable income tax rates which could have a material adverse effect on both our future effective tax rate and our financial results.

Our operations are subject to the tax laws, regulations and administrative practices of the United States, U.S. state jurisdictions and other countries in which we do business. Significant changes in these rules could have a material adverse effect on the Company's results of operations. See Item 1A. Risk Factors — The adoption of new tax legislation or exposure to additional tax liabilities could affect our profitability.

Contingencies

In the ordinary course of business, we are involved in various legal proceedings and other matters such as intellectual property disputes, contractual disputes, governmental investigations and class action suits which are complex in nature and have outcomes that are difficult to predict. Certain of these proceedings are discussed in Note 18, Contingencies and commitments, to the Consolidated Financial Statements. We record accruals for loss contingencies to the extent that we conclude that it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated. We consider all relevant factors when making assessments regarding these contingencies.

While it is not possible to accurately predict or determine the eventual outcomes of these items, an adverse determination in one or more of these items currently pending could have a material adverse effect on our consolidated results of operations, financial position or cash flows.

Valuation of assets and liabilities in connection with business combinations

We have acquired and continue to acquire intangible assets in connection with business combinations. These intangible assets consist primarily of technology associated with currently marketed human therapeutic products and IPR&D product candidates. Discounted cash flow models are typically used to determine the fair values of these intangible assets for purposes of allocating consideration paid to the net assets acquired in a business combination. These models require the use of significant estimates and assumptions, including, but not limited to:

- determining the timing and expected costs to complete in-process projects taking into account the stage of completion at the acquisition date;
- projecting the probability and timing of obtaining marketing approval from the FDA and other regulatory agencies for product candidates;
- estimating the timing of and future net cash flows from product sales resulting from completed products and in-process projects; and
- developing appropriate discount rates to calculate the present values of the cash flows.

Significant estimates and assumptions are also required to determine the acquisition date fair values of any contingent consideration obligations incurred in connection with business combinations. In addition, we must revalue these obligations each subsequent reporting period until the related contingencies are resolved and record changes in their fair values in earnings. The acquisition date fair values of various contingent consideration obligations incurred or assumed in the acquisitions of businesses (see Note 2, Business combinations, to the Consolidated Financial Statements) were determined using a combination of valuation techniques. Significant estimates and assumptions required for these valuations included, but were not limited to, the probability of achieving regulatory milestones, product sales projections under various scenarios and discount rates used to calculate the present value of the required payments. These estimates and assumptions are required to be updated in order to revalue these contingent consideration obligations each reporting period. Accordingly, subsequent changes in underlying facts and circumstances could result in changes in these estimates and assumptions, which could have a material impact on the estimated future fair values of these obligations.

We believe the fair values used to record intangible assets acquired and contingent consideration obligations incurred in connection with business combinations are based upon reasonable estimates and assumptions given the facts and circumstances as of the related valuation dates.

Impairment of long-lived assets

We review the carrying value of our property, plant and equipment and our finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such circumstances exist, an estimate of undiscounted future cash flows to be generated by the long-lived asset is compared to the carrying value to determine whether an impairment exists. If an asset is determined to be impaired, the loss is measured based on the difference between the asset's fair value and its carrying value.

Indefinite-lived intangible assets, composed of IPR&D projects acquired in a business combination which have not reached technological feasibility, are reviewed annually for impairment and whenever events or changes in circumstances indicate that the

carrying amount may not be recoverable. We determine impairment by comparing the fair value of the asset to its carrying value. If the asset's carrying value exceeds its fair value, an impairment charge is recorded for the difference and its carrying value is reduced accordingly.

Estimating future cash flows of an IPR&D product candidate for purposes of an impairment analysis requires us to make significant estimates and assumptions regarding the amount and timing of costs to complete the project and the amount, timing and probability of achieving revenues from the completed product similar to how the acquisition date fair value of the project was determined, as described above. There are often major risks and uncertainties associated with IPR&D projects as we are required to obtain regulatory approvals in order to be able to market these products. Such approvals require completing clinical trials that demonstrate a product candidate is safe and effective. Consequently, the eventual realized value of the acquired IPR&D project may vary from its estimated fair value at the date of acquisition, and IPR&D impairment charges may occur in future periods which could have a material adverse effect on our results of operations.

We believe our estimations of future cash flows used for assessing impairment of long-lived assets are based on reasonable assumptions given the facts and circumstances as of the related dates of the assessments.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks that may result from changes in interest rates, foreign currency exchange rates and prices of equity instruments as well as changes in general economic conditions in the countries where we conduct business. To reduce certain of these risks, we enter into various types of foreign currency and interest rate derivative hedging transactions as part of our risk management program. We do not use derivatives for speculative trading purposes.

In the capital and credit markets, we experienced an increase in interest rates during 2013. As a result, in the discussion that follows, we have assumed a hypothetical change in interest rates of 100 basis points from those at December 31, 2013 and 2012. We have also assumed a hypothetical 20% change in foreign currency exchange rates against the U.S. dollar based on its position relative to other currencies as of December 31, 2013 and 2012.

Interest rate sensitive financial instruments

Our portfolio of available-for-sale interest-bearing securities at December 31, 2013 and 2012, was comprised of: U.S. Treasury securities and other government-related debt securities; corporate debt securities; residential mortgage-backed and other mortgage- and asset-backed securities; money market mutual funds; and other short-term interest-bearing securities, composed principally of commercial paper. The fair values of our investment portfolio of interest-bearing securities were $22.3 billion and $23.7 billion at December 31, 2013 and 2012, respectively. Duration is a sensitivity measure that can be used to approximate the change in the value of a security that will result from a 100 basis point change in interest rates. Applying a duration model, a hypothetical 100 basis point increase in interest rates at December 31, 2013 and 2012, would not have resulted in a material effect on the fair values of these securities on these dates. In addition, a hypothetical 100 basis point decrease in interest rates at December 31, 2013 and 2012, would not result in a material effect on income or cash flows in the respective ensuing year.

As of December 31, 2013, we had outstanding debt with a carrying value of $32.1 billion and a fair value of $33.5 billion. As of December 31, 2012, we had outstanding debt with a carrying value of $26.5 billion and a fair value of $29.9 billion. Our outstanding debt at December 31, 2013 and 2012, was comprised of debt with fixed interest rates, except for $8.1 billion of debt issued in connection with the acquisition of Onyx outstanding at December 31, 2013. Changes in interest rates do not affect interest expense or cash flows on fixed-rate debt. Changes in interest rates would, however, affect the fair values of fixed-rate debt. A hypothetical 100 basis point decrease in interest rates relative to interest rates at December 31, 2013, would have resulted in an increase of approximately $2.2 billion in the aggregate fair value of our outstanding debt on this date. A hypothetical 100 basis point decrease in interest rates relative to the interest rates at December 31, 2012, would have resulted in an increase of approximately $2.6 billion in the aggregate fair value of our outstanding debt on this date. The analysis for the debt does not consider the impact that hypothetical changes in interest rates would have on the related interest rate swap contracts and cross-currency swap contracts.

To achieve a desired mix of fixed and floating interest rate debt, we entered into interest rate swap contracts during 2013, which qualified and were designated for accounting purposes as fair value hedges, for certain of our fixed-rate debt. These derivative contracts effectively converted a fixed-rate interest coupon to a floating-rate LIBOR-based coupon over the life of the respective note. Interest rate swap contracts with notional amounts totaling $4.4 billion were outstanding at December 31, 2013. A hypothetical 100 basis point increase in interest rates relative to interest rates at December 31, 2013, would have resulted in a reduction in fair value of approximately $300 million on our interest rate swap contracts on this date and would not result in a material effect on the related income or cash flows in the respective ensuing year. The analysis for the interest rate swap contracts does not consider the impact that hypothetical changes in interest rates would have on the related fair values of debt that these interest rate sensitive instruments were designed to offset.

As of December 31, 2013 and 2012, we had outstanding cross-currency swap contracts with aggregate notional amounts of $2.7 billion that hedge certain of our foreign denominated debt and related interest payments. These contracts effectively convert interest payments and principal repayment of this debt to U.S. dollars from euros/pounds sterling and are designated for accounting purposes as cash flow hedges. A hypothetical 100 basis point adverse movement in interest rates relative to interest rates at December 31, 2013 and 2012, would have resulted in reductions in the fair values of our cross-currency swap contracts of approximately $320 million and $400 million, respectively, but would have no material effect on cash flows or income in the respective ensuing year.

Foreign currency sensitive financial instruments

Our international operations are affected by fluctuations in the value of the U.S. dollar as compared to foreign currencies, predominantly the euro. Increases and decreases in our international product sales from movements in foreign currency exchange rates are offset partially by the corresponding increases or decreases in our international operating expenses. Increases and decreases in our foreign currency denominated assets from movements in foreign currency exchange rates are offset partially by the corresponding increases or decreases in our foreign currency denominated liabilities. To further reduce our net exposure to foreign currency exchange rate fluctuations on our results of operations, we enter into foreign currency forward, option and cross-currency swap contracts.

As of December 31, 2013, we had outstanding euro and pound sterling denominated debt with a carrying value and fair value of $3.6 billion and $3.7 billion, respectively. As of December 31, 2012, we had outstanding euro and pound sterling denominated debt with a carrying value and fair value of $3.5 billion and $3.8 billion, respectively. A hypothetical 20% adverse movement in foreign currency exchange rates compared with the U.S. dollar relative to exchange rates at December 31, 2013, would have resulted in an increase in fair value of this debt of approximately $750 million on this date and a reduction in income in the ensuing year of approximately $730 million, but would have no material effect on the related cash flows in the ensuing year. A hypothetical 20% adverse movement in foreign currency exchange rates compared with the U.S. dollar relative to exchange rates at December 31, 2012, would have resulted in an increase in fair value of this debt of approximately $760 million on this date and a reduction in income in the ensuing year of approximately $700 million, but would have no material effect on the related cash flows in the ensuing year. The analysis for this debt does not consider the offsetting impact that hypothetical changes in foreign currency exchange rates would have on the related cross-currency swap contracts which are in place for the majority of the foreign currency denominated debt.

With regard to our $2.7 billion notional amount of cross-currency swap contracts that are designated as cash flow hedges of certain of our debt denominated in euros and pound sterling as of December 31, 2013 and 2012, a hypothetical 20% adverse movement in foreign currency exchange rates compared with the U.S. dollar relative to exchange rates on this date, would have resulted in a reduction in the fair values of these contracts of approximately $660 million and $710 million on this date, but would have no material effect on the related cash flows in the ensuing year. The impact on income in the ensuing years from these contracts of this hypothetical adverse movement in foreign currency exchange rates would be fully offset by the corresponding hypothetical changes in the carrying amounts of the related hedged debt.

We enter into foreign currency forward and options contracts that are designated for accounting purposes as cash flow hedges of certain anticipated foreign currency transactions. As of December 31, 2013, we had open foreign currency forward and options contracts, primarily euro-based, with notional amounts of $4.0 billion and $516 million, respectively. As of December 31, 2012, we had open foreign currency forward and options contracts, primarily euro-based, with notional amounts of $3.7 billion and $200 million, respectively. As of December 31, 2013 and 2012, the net unrealized gains on these contracts were not material. With regard to foreign currency forward and option contracts that were open at December 31, 2013, a hypothetical 20% adverse movement in foreign currency exchange rates compared with the U.S. dollar relative to exchange rates at December 31, 2013, would have resulted in a reduction in fair value of these contracts of approximately $820 million on this date and, in the ensuing year, a reduction in income and cash flows of approximately $400 million. With regard to contracts that were open at December 31, 2012, a hypothetical 20% adverse movement in foreign currency exchange rates compared with the U.S. dollar relative to exchange rates at December 31, 2012, would have resulted in a reduction in fair value of these contracts of approximately $730 million on this date and, in the ensuing year, a reduction in income and cash flows of approximately $350 million. The analysis does not consider the impact that hypothetical changes in foreign currency exchange rates would have on anticipated transactions that these foreign currency sensitive instruments were designed to offset.

As of December 31, 2013 and 2012, we had open foreign currency forward contracts with notional amounts totaling $999 million and $629 million, respectively, that hedged fluctuations of certain assets and liabilities denominated in foreign currencies but were not designated as hedges for accounting purposes. These contracts had no material net unrealized gains or losses at December 31, 2013 and 2012. With regard to these foreign currency forward contracts that were open at December 31, 2013 and 2012, a hypothetical 20% adverse movement in foreign currency exchange rates compared with the U.S. dollar relative to exchange rates on these dates would have resulted in a reduction of approximately $160 million and $60 million, respectively, in the fair value of these contracts on this date, but would not result in a material effect on income or cash flows in the respective ensuing

year. The analysis does not consider the impact that hypothetical changes in foreign currency exchange rates would have on assets and liabilities that these foreign currency sensitive instruments were designed to offset.

Market price sensitive financial instruments

As of December 31, 2013 and 2012, we were also exposed to price risk on equity securities included in our portfolio of investments, which were acquired primarily for the promotion of business and strategic objectives. These investments are generally in small capitalization stocks in the biotechnology industry sector. Price risk relative to our equity investment portfolio as of December 31, 2013 and 2012, was not material.

Counterparty credit risks

Our financial instruments, including derivatives, are subject to counterparty credit risk which we consider as part of the overall fair value measurement. Our financial risk management policy limits derivative transactions by requiring transactions to be with institutions with investment grade credit ratings and requires placing exposure limits on the amount with any individual counterparty. In addition, we have an investment policy that limits investments to certain types of debt and money market instruments issued by institutions primarily with investment grade credit ratings and places restriction on maturities and concentrations by asset class and issuer.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is incorporated herein by reference to the financial statements and schedule listed in Item 15(a)1 and (a)2 of Part IV and included in this Annual Report on Form 10-K.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

Item 9A. CONTROLS AND PROCEDURES

We maintain "disclosure controls and procedures," as such term is defined under Exchange Act Rule 13a-15(e), that are designed to ensure that information required to be disclosed in Amgen's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to Amgen's management, including its Chief Executive Officer and Acting Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, Amgen's management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and in reaching a reasonable level of assurance Amgen's management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. We have carried out an evaluation under the supervision and with the participation of our management, including Amgen's Chief Executive Officer and Acting Chief Financial Officer, of the effectiveness of the design and operation of Amgen's disclosure controls and procedures. Based upon their evaluation and subject to the foregoing, the Chief Executive Officer and Acting Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2013.

Management determined that, as of December 31, 2013, there were no changes in our internal control over financial reporting that occurred during the fiscal quarter then ended that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States. However, all internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and reporting.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (1992 framework). Based on our assessment, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

The effectiveness of the Company's internal control over financial reporting has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report appearing below, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2013.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Amgen Inc.

We have audited Amgen Inc.'s (the "Company") internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the "COSO criteria"). Amgen Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Amgen Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Balance Sheets as of December 31, 2013 and 2012, and the related Consolidated Statements of Income, Comprehensive Income, Stockholders' Equity and Cash Flows for each of the three years in the period ended December 31, 2013 of Amgen Inc. and our report dated February 24, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Los Angeles, California
February 24, 2014

Item 9B. OTHER INFORMATION

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE OF THE REGISTRANT

Information about our Directors is incorporated by reference from the section entitled ITEM 1 — ELECTION OF DIRECTORS in our Proxy Statement for the 2014 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2013 (the Proxy Statement). Information about compliance with Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference from the section entitled OTHER MATTERS — Section 16(a) Beneficial Ownership Reporting Compliance in our Proxy Statement. Information about the procedures by which stockholders may recommend nominees for the Board of Directors is incorporated by reference from Appendix B — AMGEN INC. BOARD OF DIRECTORS GUIDELINES FOR DIRECTOR QUALIFICATIONS AND EVALUATIONS in our Proxy Statement. Information about our Audit Committee, members of the committee and our Audit Committee financial experts is incorporated by reference from the section entitled CORPORATE GOVERNANCE — Board Committees and Charters — Audit Committee in our Proxy Statement. Information about our executive officers is contained in the discussion entitled Item 1. Business — Executive Officers of the Registrant.

Code of Ethics

We maintain a code of ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller, and other persons performing similar functions. To view this code of ethics free of charge, please visit our website at www.amgen.com (This website address is not intended to function as a hyperlink, and the information contained in our website is not intended to be a part of this filing). We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of this code of ethics, if any, by posting such information on our website as set forth above.

Item 11. EXECUTIVE COMPENSATION

Information about director and executive compensation is incorporated by reference from the section entitled EXECUTIVE COMPENSATION in our Proxy Statement. Information about compensation committee matters is incorporated by reference from the sections entitled CORPORATE GOVERNANCE — Board Committees and Charters — Compensation and Management Development Committee and CORPORATE GOVERNANCE — Compensation Committee Report in our Proxy Statement.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Existing Equity Compensation Plans

The following table sets forth certain information as of December 31, 2013, concerning the shares of our Common Stock that may be issued under any form of award granted under our equity compensation plans in effect as of December 31, 2013 (including upon the exercise of options, the vesting of awards of restricted stock units, or RSUs, or when performance units are earned, and related dividend equivalents have been granted).

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights	(b) Weighted Average Exercise Price Outstanding Options and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by Amgen security holders:			
Amended and Restated 2009 Equity Incentive Plan [1]	20,306,093	$ 57.31	57,515,257
Amended and Restated 1991 Equity Incentive Plan [2]	2,438,298	$ 51.04	—
Amended and Restated Employee Stock Purchase Plan		—	5,427,151
Total Approved Plans	22,744,391	$ 55.15	62,942,408
Equity compensation plans not approved by Amgen security holders:			
Amended and Restated 1999 Equity Incentive Plan [3]	265,111	$ 47.21	—
Amended and Restated 1997 Equity Incentive Plan [4]	20,596	$ 57.88	—
Amended and Restated 1997 Special Non-Officer Equity Incentive Plan [5]	37,139	$ 61.26	—
Amended and Restated 1999 Incentive Stock Plan [6]	31,177	$ 59.60	—
Amended and Restated Assumed Avidia Equity Plan [7]	1,622	$ 1.91	—
Amgen Profit Sharing Plan for Employees in Ireland [8]	—	—	160,136
Total Unapproved Plans	355,645	$ 50.18	160,136
Total All Plans	23,100,036	$ 54.91	63,102,544

(1) The Amended and Restated 2009 Equity Incentive Plan employs a fungible share counting formula for determining the number of shares available for issuance under the plan. In accordance with this formula, each option or stock appreciation right counts as one share, while each restricted stock unit, performance unit or dividend equivalent counts as 1.9 shares. The number under column (a) represents the actual number of shares issuable under our outstanding awards without giving effect to the fungible share counting formula. The number under column (c) represents the number of shares available for issuance under this plan based on each such available share counting as one share. Commencing with the grants made in April 2012, RSUs and performance units accrue dividend equivalents that are payable in shares only to the extent and when the underlying RSUs vest or underlying performance units have been earned and the related shares are issued to the grantee. The performance units granted under this plan are earned based on the accomplishment of specified performance goals at the end of their respective three-year performance periods; the number of performance units granted represent target performance and the maximum number of units that could be earned based on our performance is 150% of the performance units granted.

The number of outstanding awards under column (a) includes, as of December 31, 2013, (i) 4,587,982 shares issuable upon the exercise of outstanding options with a weighted-average exercise price of approximately $57.31, (ii) 9,002,887 shares issuable upon the vesting of outstanding RSUs (including 132,647 related dividend equivalents), and (iii) 6,715,224 shares subject to outstanding 2011, 2012 and 2013 performance units (including 111,690 related dividend equivalents). The weighted average exercise price shown in column (b) is for the outstanding options only. The number of available shares under column

(c) represents the number of shares that remain available for future issuance under this plan as of December 31, 2013 employing the fungible share formula and presumes the issuance of target shares under the performance units granted in 2011, 2012 and 2013 and related dividend equivalents. The numbers under columns (a) and (c) do not give effect to the additional shares that could be issuable in the event above target on the performance goals under these outstanding performance units are achieved. Maximum performance under these goals could result in 150% of target shares being awarded.

(2) This plan has terminated as to future grants. The number under column (a) with respect to this plan includes 21,130 shares issuable upon the vesting of outstanding RSUs (including 1,542 related dividend equivalents), which are not included in calculating the weighted average exercise price in column (b).

(3) This plan has terminated as to future grants. This plan was originally assumed pursuant to the terms of the merger agreement between Amgen and Immunex which was approved by our stockholders in May 2002. Both plans were previously approved by Immunex's shareholders.

(4) This plan has terminated as to future grants. This plan was originally assumed by Amgen in connection with the merger of Tularik with and into Amgen SF, LLC, a wholly owned subsidiary of Amgen, on August 13, 2004. This plan was previously approved by Tularik's shareholders.

(5) This plan has terminated as to future grants.

(6) These plans have terminated as to future grants. These plans were originally assumed by Amgen in connection with the merger of Abgenix with and into Amgen Fremont Inc., a wholly owned subsidiary of Amgen, on April 1, 2006. The Amended and Restated 1996 Incentive Stock Plan (1996 Plan) was previously approved by Abgenix's shareholders. The number under column (a) with respect to the Amended and Restated 1999 Incentive Stock Plan includes 57 shares issuable upon the vesting of outstanding RSUs, which are not included in calculating the weighted average exercise price in column (b).

(7) This plan has terminated as to future grants. This plan was originally assumed by Amgen in connection with the merger of Avidia, Inc. with and into Amgen Mountain View Inc., a wholly owned subsidiary of Amgen, on October 24, 2006.

(8) The Amgen Profit Sharing Plan for Employees in Ireland (the Profit Sharing Plan) was approved by the Board of Directors on July 28, 2011. The Profit Sharing Plan permits eligible employees of the Company's subsidiaries located in Ireland, which participate in the Profit Sharing Plan, to apply a portion of their qualifying bonus and salary to the purchase the Company's Common Stock on the open market at the market price by a third-party trustee as described in the Profit Sharing Plan.

Security Ownership of Directors and Executive Officers and Certain Beneficial Owners

Information about security ownership of certain beneficial owners and management is incorporated by reference from the sections entitled SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS and SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS in our Proxy Statement.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information about certain relationships and related transactions and director independence is incorporated by reference from the sections entitled CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS and CORPORATE GOVERNANCE — Board Independence in our Proxy Statement.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information about the fees for professional services rendered by our independent registered public accountants is incorporated by reference from the section entitled AUDIT MATTERS — Independent Registered Public Accountants in our Proxy Statement.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)1. Index to Financial Statements

The following Consolidated Financial Statements are included herein:

(a)2. Index to Financial Statement Schedules

The following Schedule is filed as part of this Annual Report on Form 10-K:

All other schedules are omitted because they are not applicable, not required or because the required information is included in the consolidated financial statements or notes thereto.

(a)3. Exhibits

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Amgen Inc. (As Restated March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
3.2	Amended and Restated Bylaws of Amgen Inc. (As Amended and Restated March 6, 2013). (Filed as an exhibit to Form 8-K on March 6, 2013 and incorporated herein by reference.)
3.3	First Amendment to the Amended and Restated Bylaws of Amgen Inc. (As Amended and Restated March 6, 2013). (Filed as an exhibit to Form 8-K on October 16, 2013 and incorporated herein by reference.)
4.1	Form of stock certificate for the common stock, par value $.0001 of the Company. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 1997 on May 13, 1997 and incorporated herein by reference.)
4.2	Form of Indenture, dated January 1, 1992. (Filed as an exhibit to Form S-3 Registration Statement filed on December 19, 1991 and incorporated herein by reference.)
4.3	Agreement of Resignation, Appointment and Acceptance dated February 15, 2008. (Filed as an exhibit to Form 10-K for the year ended December 31, 2007 on February 28, 2008 and incorporated herein by reference.)
4.4	First Supplemental Indenture, dated February 26, 1997. (Filed as an exhibit to Form 8-K on March 14, 1997 and incorporated herein by reference.)
4.5	8-1/8% Debentures due April 1, 2097. (Filed as an exhibit to Form 8-K on April 8, 1997 and incorporated herein by reference.)

Exhibit No.	Description
4.6	Officer's Certificate, dated as of January 1, 1992, as supplemented by the First Supplemental Indenture, dated as of February 26, 1997, establishing a series of securities entitled "8 1/8% Debentures due April 1, 2097." (Filed as an exhibit to Form 8-K on April 8, 1997 and incorporated herein by reference.)
4.7	Indenture, dated as of August 4, 2003. (Filed as an exhibit to Form S-3 Registration Statement on August 4, 2003 and incorporated herein by reference.)
4.8	Officers' Certificate, dated November 18, 2004, including forms of the 4.00% Senior Notes due 2009 and 4.85% Senior Notes due 2014. (Filed as an exhibit to Form 8-K on November 19, 2004 and incorporated herein by reference.)
4.9	Corporate Commercial Paper - Master Note between and among Amgen Inc., as Issuer, Cede & Co., as Nominee of The Depository Trust Company, and Citibank, N.A., as Paying Agent. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 1998 on May 13, 1998 and incorporated herein by reference.)
4.10	Officers' Certificate of Amgen Inc., dated as of May 30, 2007, including forms of the Company's Senior Floating Rate Notes due 2008, 5.85% Senior Notes due 2017 and 6.375% Senior Notes due 2037. (Filed as an exhibit to Form 8-K on May 30, 2007 and incorporated herein by reference.)
4.11	Officers' Certificate of Amgen Inc., dated as of May 23, 2008, including forms of the Company's 6.15% Senior Notes due 2018 and 6.90% Senior Notes due 2038. (Filed as exhibit to Form 8-K on May 23, 2009 and incorporated herein by reference.)
4.12	Officers' Certificate of Amgen Inc., dated as of January 16, 2009, including forms of the Company's 5.70% Senior Notes due 2019 and 6.40% Senior Notes due 2039. (Filed as exhibit to Form 8-K on January 16, 2009 and incorporated herein by reference.)
4.13	Officers' Certificate of Amgen Inc., dated as of March 12, 2010, including forms of the Company's 4.50% Senior Notes due 2020 and 5.75% Senior Notes due 2040. (Filed as exhibit to Form 8-K on March 15, 2010 and incorporated herein by reference.)
4.14	Officers' Certificate of Amgen Inc., dated as of September 16, 2010, including forms of the Company's 3.45% Senior Notes due 2020 and 4.95% Senior Notes due 2041. (Filed as an exhibit to Form 8-K on September 17, 2010 and incorporated herein by reference.)
4.15	Officers' Certificate of Amgen Inc., dated as of June 30, 2011, including forms of the Company's 2.30% Senior Notes due 2016, 4.10% Senior Notes due 2021 and 5.65% Senior Notes due 2042. (Filed as an exhibit to Form 8-K on June 30, 2011 and incorporated herein by reference.)
4.16	Officers' Certificate of Amgen Inc., dated as of November 10, 2011, including forms of the Company's 1.875% Senior Notes due 2014, 2.50% Senior Notes due 2016, 3.875% Senior Notes due 2021 and 5.15% Senior Notes due 2041. (Filed as an exhibit to Form 8-K on November 10, 2011 and incorporated herein by reference.)
4.17	Officers' Certificate of Amgen Inc., dated as of December 5, 2011, including forms of the Company's 4.375% Senior Notes due 2018 and 5.50% Senior Notes due 2026. (Filed as an exhibit to Form 8-K on December 5, 2011 and incorporated herein by reference.)
4.18	Officers' Certificate of Amgen Inc., dated as of May 15, 2012, including forms of the Company's 2.125% Senior Notes due 2017, 3.625% Senior Notes due 2022 and 5.375% Senior Notes due 2043. (Filed as an exhibit to Form 8-K on May 15, 2012 and incorporated herein by reference.)
4.19	Officers' Certificate of Amgen Inc., dated as of September 13, 2012, including forms of the Company's 2.125% Senior Notes due 2019 and 4.000% Senior Notes due 2029. (Filed as an exhibit to Form 8-K on September 13, 2012 and incorporated herein by reference.)
10.1+	Amgen Inc. Amended and Restated 2009 Equity Incentive Plan. (Filed as Appendix C to the Definitive Proxy Statement on Schedule 14A on April 8, 2013 and incorporated herein by reference.)
10.2+	Form of Stock Option Agreement for the Amgen Inc. Amended and Restated 2009 Equity Incentive Plan. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.3+	Form of Restricted Stock Unit Agreement for the Amgen Inc. Amended and Restated 2009 Equity Incentive Plan. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.4+*	Amgen Inc. 2009 Performance Award Program. (As Amended on December 13, 2013.)

Exhibit No.	Description
10.5+	Form of Performance Unit Agreement for the Amgen Inc. 2009 Performance Award Program. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.6+	Amgen Inc. 2009 Director Equity Incentive Program. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.7+	Form of Grant of Non-Qualified Stock Option Agreement for the Amgen Inc. 2009 Director Equity Incentive Program. (Filed as an exhibit to Form 8-K on May 8, 2009 and incorporated herein by reference.)
10.8+	Form of Restricted Stock Unit Agreement for the Amgen Inc. 2009 Director Equity Incentive Program. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.9+*	Amgen Inc. Supplemental Retirement Plan. (As Amended and Restated effective October 16, 2013.)
10.10+	Amended and Restated Amgen Change of Control Severance Plan. (As Amended and Restated effective December 9, 2010 and subsequently amended effective March 2, 2011.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2011 on May 10, 2011 and incorporated herein by reference.)
10.11+	Amgen Inc. Executive Incentive Plan. (As Amended and Restated effective January 1, 2009.) (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2008 on November 7, 2008 and incorporated herein by reference.)
10.12+	First Amendment to the Amgen Inc. Executive Incentive Plan, effective December 13, 2012. (Filed as an exhibit to Form 10-K for the year ended December 31, 2012 on February 27, 2013 and incorporated herein by reference.)
10.13+	Amgen Inc. Executive Nonqualified Retirement Plan. (As Amended and Restated effective January 1, 2009.) (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2008 on November 7, 2008 and incorporated herein by reference.)
10.14+	First Amendment to the Amgen Inc. Executive Nonqualified Retirement Plan, effective July 21, 2010. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2010 on August 9, 2010 and incorporated herein by reference.)
10.15+*	Amgen Nonqualified Deferred Compensation Plan. (As Amended and Restated effective October 16, 2013.)
10.16+	Agreement between Amgen Inc. and Mr. Anthony C. Hooper, dated October 12, 2011. (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 on February 29, 2012 and incorporated herein by reference.)
10.17+*	Agreement and General Release of Claims, entered into as of January 9, 2014, by and between Amgen Inc. and Jonathan M. Peacock.
10.18+	Restricted Stock Unit Agreement, dated April 27, 2012, between Amgen Inc. and Kevin W. Sharer. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2012 on August 8, 2012 and incorporated herein by reference.)
10.19+	Performance Unit Agreement, dated April 27, 2012, between Amgen Inc. and Kevin W. Sharer. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2012 on August 8, 2012 and incorporated herein by reference.)
10.20	Product License Agreement, dated September 30, 1985, between Amgen and Ortho Pharmaceutical Corporation. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2000 on August 1, 2000 and incorporated herein by reference.)
10.21	Shareholders' Agreement, dated May 11, 1984, among Amgen, Kirin Brewery Company, Limited and Kirin-Amgen, Inc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.22	Amendment No. 1 dated March 19, 1985, Amendment No. 2 dated July 29, 1985 (effective July 1, 1985), and Amendment No. 3, dated December 19, 1985, to the Shareholders' Agreement dated May 11, 1984. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2000 on August 1, 2000 and incorporated herein by reference.)

Exhibit No.	Description
10.23	Amendment No. 4 dated October 16, 1986 (effective July 1, 1986), Amendment No. 5 dated December 6, 1986 (effective July 1, 1986), Amendment No. 6 dated June 1, 1987, Amendment No. 7 dated July 17, 1987 (effective April 1, 1987), Amendment No. 8 dated May 28, 1993 (effective November 13, 1990), Amendment No. 9 dated December 9, 1994 (effective June 14, 1994), Amendment No. 10 effective March 1, 1996, and Amendment No. 11 effective March 20, 2000 to the Shareholders' Agreement, dated May 11, 1984. (Filed as exhibits to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.24	Amendment No. 12 to the Shareholders' Agreement, dated January 31, 2001. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2005 on August 8, 2005 and incorporated herein by reference.)
10.25	Amendment No. 13 to the Shareholders' Agreement, dated June 28, 2007 (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2007 on August 9, 2007 and incorporated herein by reference.)
10.26	Assignment and License Agreement, dated October 16, 1986 (effective July 1, 1986), between Amgen and Kirin-Amgen, Inc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.27	G-CSF United States License Agreement, dated June 1, 1987 (effective July 1, 1986), Amendment No. 1, dated October 20, 1988, and Amendment No. 2, dated October 17, 1991 (effective November 13, 1990), between Kirin-Amgen, Inc. and Amgen Inc. (Filed as exhibits to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.28	G-CSF European License Agreement, dated December 30, 1986, between Kirin-Amgen and Amgen, Amendment No. 1 to Kirin-Amgen, Inc. / Amgen G-CSF European License Agreement, dated June 1, 1987, Amendment No. 2 to Kirin-Amgen, Inc. / Amgen G-CSF European License Agreement, dated March 15, 1998, Amendment No. 3 to Kirin-Amgen, Inc. / Amgen G-CSF European License Agreement, dated October 20, 1988, and Amendment No. 4 to Kirin-Amgen, Inc. / Amgen G-CSF European License Agreement, dated December 29, 1989, between Kirin-Amgen, Inc. and Amgen Inc. (Filed as exhibits to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.29	Amended and Restated Promotion Agreement, dated as of December 16, 2001, by and among Immunex Corporation, American Home Products Corporation and Amgen Inc. (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Amendment No. 1 to Form S-4 Registration Statement on March 22, 2002 and incorporated herein by reference.)
10.30	Description of Amendment No. 1 to Amended and Restated Promotion Agreement, effective as of July 8, 2003, among Wyeth, Amgen Inc. and Immunex Corporation (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-K for the year ended December 31, 2003 on March 11, 2004 and incorporated herein by reference.)
10.31	Description of Amendment No. 2 to Amended and Restated Promotion Agreement, effective as of April 20, 2004, by and among Wyeth, Amgen Inc. and Immunex Corporation. (Filed as an exhibit to Amendment No. 1 to Form S-4 Registration Statement on June 29, 2004 and incorporated herein by reference.)
10.32	Amendment No. 3 to Amended and Restated Promotion Agreement, effective as of January 1, 2005, by and among Wyeth, Amgen Inc. and Immunex Corporation (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2005 on May 4, 2005 and incorporated herein by reference.)
10.33	Credit Agreement, dated as of December 2, 2011, among Amgen Inc., with Citibank, N.A., as administrative agent, JPMorgan Chase Bank, N.A., as syndication agent, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC as joint lead arrangers and joint book runners, and the other banks party thereto. (Filed as an exhibit to Form 8-K on December 2, 2011 and incorporated herein by reference.)
10.34	Collaboration and License Agreement between Amgen Inc. and Celltech R&D Limited dated May 10, 2002 (portions of the exhibit have been omitted pursuant to a request for confidential treatment) and Amendment No. 1, effective as of June 9, 2003, to Collaboration and License Agreement between Amgen Inc. and Celltech R&D Limited (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-K/A for the year ended December 31, 2012 on July 31, 2013 and incorporated herein by reference.)

Exhibit No.	Description
10.35	Integrated Facilities Management Services Agreement, dated February 4, 2009, between Amgen Inc. and Jones Lang LaSalle Americas, Inc. (portions of the exhibit have been omitted pursuant to a request for confidential treatment) (Previously filed as an exhibit to Form 10-K for the year ended December 31, 2008 on February 27, 2009.), as amended by Amendment Number 1 dated March 31, 2010 (portions of the exhibit have been omitted pursuant to a request for confidential treatment), Amendment Number 2 dated May 12, 2011 (as corrected by the Letter Agreement) (portions of the exhibit have been omitted pursuant to a request for confidential treatment), and Letter Agreement dated July 19, 2011. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2011 on August 8, 2011 and incorporated herein by reference.)
10.36	Amendment Number 3, dated July 1, 2011, to the Integrated Facilities Management Services Agreement, dated February 4, 2009, between Amgen Inc. and Jones Lang LaSalle Americas, Inc. (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2011 on November 4, 2011 and incorporated herein by reference.)
10.37	Amendment Number 4, dated March 20, 2013, to the Integrated Facilities Management Services Agreement, dated February 4, 2009, between Amgen Inc. and Jones Lang LaSalle Americas, Inc. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.38	Amendment Number 5, entered into as of September 1, 2013, to the Integrated Facilities Management Services Agreement, dated February 4, 2009, between Amgen Inc. and Jones Lang LaSalle Americas, Inc. (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2013 on October 29, 2013 and incorporated herein by reference.)
10.39	Collaboration Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2009 on November 6, 2009 and incorporated herein by reference.)
10.40	Amendment Number 1, dated as of January 24, 2012, to Collaboration Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2012 on February 27, 2013 and incorporated herein by reference.)
10.41	Expansion Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2009 on November 6, 2009 and incorporated herein by reference.)
10.42	Amendment Number 1, dated September 20, 2010, to Expansion Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2010 on November 8, 2010 and incorporated herein by reference.)
10.43	Amendment Number 2, dated as of January 24, 2012, to Expansion Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2012 on February 27, 2013 and incorporated herein by reference.)
10.44	Sourcing and Supply Agreement, dated November 15, 2011, by and between Amgen USA Inc, a wholly owned subsidiary of Amgen Inc., and DaVita Inc. (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 on February 29, 2012 and incorporated herein by reference.)
10.45	Amendment Number 1 to Sourcing and Supply Agreement, effective as of January 1, 2013, by and between Amgen USA Inc., a wholly owned subsidiary of Amgen Inc., and DaVita Healthcare Partners Inc. f/k/a DaVita Inc. (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-K for the year ended December 31, 2012 on February 27, 2013 and incorporated herein by reference.)
10.46	Collaboration Agreement dated March 30, 2012 by and between Amgen Inc. and AstraZeneca Collaboration Ventures, LLC, a wholly owned subsidiary of AstraZeneca Pharmaceuticals LP (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2012 on May 8, 2012 and incorporated herein by reference.)
10.47	Collaboration Agreement, dated April 22, 1994, by and between Bayer Corporation (formerly Miles, Inc.) and Onyx Pharmaceuticals, Inc. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2011 by Onyx Pharmaceuticals, Inc. on May 10, 2011 and incorporated herein by reference.)

Exhibit No.	Description
10.48	Amendment to Collaboration Agreement, dated April 24, 1996, by and between Bayer Corporation and Onyx Pharmaceuticals, Inc. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2006 by Onyx Pharmaceuticals, Inc. on May 10, 2006 and incorporated herein by reference.)
10.49	Amendment to Collaboration Agreement, dated February 1, 1999, by and between Bayer Corporation and Onyx Pharmaceuticals, Inc. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2006 by Onyx Pharmaceuticals, Inc. on May 10, 2006 and incorporated herein by reference.)
10.50	United States Co-Promotion Agreement, dated March 6, 2006, by and between Bayer Pharmaceuticals Corporation and Onyx Pharmaceuticals, Inc. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2006 by Onyx Pharmaceuticals, Inc. on May 10, 2006 and incorporated herein by reference.)
10.51	Settlement Agreement and Release, dated October 11, 2011, by and between Bayer Corporation, Bayer AG, Bayer HealthCare LLC and Bayer Pharma AG and Onyx Pharmaceuticals, Inc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 by Onyx Pharmaceuticals, Inc. on February 27, 2012 and incorporated herein by reference.)
10.52	Fourth Amendment to Collaboration Agreement, dated October 11, 2011, by and between Bayer Corporation and Onyx Pharmaceuticals, Inc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 by Onyx Pharmaceuticals, Inc. on February 27, 2012 and incorporated herein by reference.)
10.53	Commitment Letter, dated August 24, 2013, among Amgen Inc., Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., J.P. Morgan Securities LLC and Barclays Bank PLC. (Filed as an exhibit to Form 8-K on August 26, 2013 and incorporated herein by reference.)
10.54	Master Repurchase Agreement, dated August 24, 2013, between Amgen Inc. and Bank of America, N.A. (Filed as an exhibit to Form 8-K on August 26, 2013 and incorporated herein by reference.)
10.55	Master Repurchase Agreement, dated October 28, 2013, between Amgen Inc. and SMBC Repo Pass-Thru Trust, 2013-1. (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2013 on October 29, 2013 and incorporated herein by reference.)
10.56	Master Repurchase Agreement, dated October 29, 2013, between Amgen Inc. and HSBC Bank USA, N.A. (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2013 on October 29, 2013 and incorporated herein by reference.)
10.57	Term Loan Facility Credit Agreement, dated as of September 20, 2013, among Amgen Inc., the Banks therein named, Bank of America, N.A., as Administrative Agent, and Barclays Bank PLC and JPMorgan Chase Bank, N.A., as Syndication Agents. (Filed as an exhibit to Form 8-K on September 20, 2013 and incorporated herein by reference.)
21*	Subsidiaries of the Company.
23	Consent of the Independent Registered Public Accounting Firm. The consent is set forth on page 69 of this Annual Report on Form 10-K.
24	Power of Attorney. The Power of Attorney is set forth on page 70 of this Annual Report on Form 10-K.
31*	Rule 13a-14(a) Certifications.
32**	Section 1350 Certifications.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

(* = filed herewith)

(** = furnished herewith and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended)

(+ = management contract or compensatory plan or arrangement)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMGEN INC.
(Registrant)

Date: 02/24/2014

By: /S/ MICHAEL A. KELLY

Michael A. Kelly

Acting Chief Financial Officer

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- Registration Statement (Form S-8 No. 333-159377) pertaining to the Amgen Inc. 2009 Equity Incentive Plan;
- Registration Statement (Form S-8 No. 33-39183) pertaining to the Amended and Restated Employee Stock Purchase Plan;
- Registration Statements (Form S-8 No. 33-39104, as amended by Form S-8 No. 333-144581) pertaining to the Amended and Restated Amgen Retirement and Savings Plan (formerly known as the Amgen Retirement and Savings Plan);
- Registration Statements (Form S-8 Nos. 33-42072 and 333-144579) pertaining to the Amgen Inc. Amended and Restated 1991 Equity Incentive Plan;
- Registration Statements (Form S-8 Nos. 33-47605 and 333-144580) pertaining to the Retirement and Savings Plan for Amgen Manufacturing, Limited (formerly known as the Retirement and Savings Plan for Amgen Manufacturing, Inc.);
- Registration Statements (Form S-8 Nos. 333-44727, 333-62735, 333-56672 and 333-83824) pertaining to the Amgen Inc. Amended and Restated 1997 Special Non-Officer Equity Incentive Plan (formerly known as the Amgen Inc. 1997 Special Non-Officer Equity Incentive Plan);
- Registration Statements (Form S-8 Nos. 333-81284 and 333-177868) pertaining to the Amgen Nonqualified Deferred Compensation Plan;
- Registration Statements (Form S-8 No. 333-92424 and Amendment No. 1 thereto) pertaining to the Amgen Inc. Amended and Restated 1993 Equity Incentive Plan (formerly known as the Immunex Corporation 1993 Stock Option Plan), the Amgen Inc. Amended and Restated 1999 Equity Incentive Plan (formerly known as the Immunex Corporation 1999 Stock Option Plan);
- Registration Statement (Form S-8 No. 333-118254) pertaining to the Amgen Inc. Amended and Restated 1997 Equity Incentive Plan (formerly known as the Tularik Inc. 1997 Equity Incentive Plan, as amended);
- Registration Statement (Form S-8 No. 333-132932) pertaining to the Amgen Inc. Amended and Restated 1996 Incentive Stock Plan (formerly known as Abgenix, Inc. 1996 Incentive Stock Plan, as amended and restated), the Amgen Inc. Amended and Restated 1999 Incentive Stock Plan (formerly known as Abgenix, Inc. 1999 Nonstatutory Stock Option Plan, as amended and restated);
- Registration Statement (Form S-8 No. 333-133002) pertaining to the Amgen Inc. Amended and Restated 1999 Incentive Stock Plan (formerly known as Abgenix, Inc. 1999 Nonstatutory Stock Option Plan, as amended and restated);
- Registration Statement (Form S-8 No. 333-138325) pertaining to the Amgen Inc. Amended and Restated Assumed Avidia Equity Incentive Plan (formerly known as the Avidia, Inc. Amended and Restated 2003 Equity Incentive Plan);
- Registration Statement (Form S-3 No. 333-172617) relating to debt securities, common stock, preferred stock, warrants to purchase debt securities, common stock, preferred stock or depositary shares, rights to purchase common stock or preferred stock, securities purchase contracts, securities purchase units and depositary shares of Amgen Inc. and in the related Prospectus; and
- Registration Statement (Form S-8 No. 333-176240) pertaining to the Amgen Profit Sharing Plan for Employees in Ireland;

of our reports dated February 24, 2014, with respect to the consolidated financial statements and schedule of Amgen Inc. and the effectiveness of internal control over financial reporting of Amgen Inc. included in this Annual Report (Form 10-K) of Amgen Inc. for the year ended December 31, 2013.

/s/ Ernst & Young LLP

Los Angeles, California
February 24, 2014

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN AND WOMEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael A. Kelly and Thomas J.W. Dittrich, or either of them, his or her attorney-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/S/ ROBERT A. BRADWAY **Robert A. Bradway**	Chairman of the Board, Chief Executive Officer and President, and Director (Principal Executive Officer)	2/24/2014
/S/ MICHAEL A. KELLY **Michael A. Kelly**	Acting Chief Financial Officer (Principal Financial Officer)	2/24/2014
/S/ THOMAS J.W. DITTRICH **Thomas J.W. Dittrich**	Vice President, Finance and Chief Accounting Officer (Principal Accounting Officer)	2/24/2014
/S/ DAVID BALTIMORE **David Baltimore**	Director	2/24/2014
/S/ FRANK J. BIONDI, JR. **Frank J. Biondi, Jr.**	Director	2/24/2014
/S/ FRANÇOIS DE CARBONNEL **François de Carbonnel**	Director	2/24/2014
/S/ VANCE D. COFFMAN **Vance D. Coffman**	Director	2/24/2014
/S/ ROBERT A. ECKERT **Robert A. Eckert**	Director	2/24/2014
/S/ GREG C. GARLAND **Greg C. Garland**	Director	2/24/2014
/S/ REBECCA M. HENDERSON **Rebecca M. Henderson**	Director	2/24/2014
/S/ FRANK C. HERRINGER **Frank C. Herringer**	Director	2/24/2014
/S/ TYLER JACKS **Tyler Jacks**	Director	2/24/2014
/S/ GILBERT S. OMENN **Gilbert S. Omenn**	Director	2/24/2014
/S/ JUDITH C. PELHAM **Judith C. Pelham**	Director	2/24/2014
/S/ RONALD D. SUGAR **Ronald D. Sugar**	Director	2/24/2014

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Amgen Inc.

We have audited the accompanying Consolidated Balance Sheets of Amgen Inc. (the "Company") as of December 31, 2013 and 2012, and the related Consolidated Statements of Income, Comprehensive Income, Stockholders' Equity and Cash Flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedule listed in the Index at Item 15(a) 2. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amgen Inc. at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Amgen Inc.'s internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated February 24, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Los Angeles, California
February 24, 2014

AMGEN INC.

CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31, 2013, 2012 and 2011

(In millions, except per share data)

	2013	2012	2011
Revenues:			
Product sales	$ 18,192	$ 16,639	$ 15,295
Other revenues	484	626	287
Total revenues	18,676	17,265	15,582
Operating expenses:			
Cost of sales	3,346	3,199	2,708
Research and development	4,083	3,380	3,167
Selling, general and administrative	5,184	4,814	4,499
Other	196	295	896
Total operating expenses	12,809	11,688	11,270
Operating income	5,867	5,577	4,312
Interest expense, net	1,022	1,053	610
Interest and other income, net	420	485	448
Income before income taxes	5,265	5,009	4,150
Provision for income taxes	184	664	467
Net income	$ 5,081	$ 4,345	$ 3,683
Earnings per share:			
Basic	$ 6.75	$ 5.61	$ 4.07
Diluted	$ 6.64	$ 5.52	$ 4.04
Shares used in the calculation of earnings per share:			
Basic	753	775	905
Diluted	765	787	912

See accompanying notes.

AMGEN INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended December 31, 2013, 2012 and 2011

(In millions)

	2013	2012	2011
Net income	$ 5,081	$ 4,345	$ 3,683
Other comprehensive income (loss), net of reclassification adjustments and taxes:			
Foreign currency translation losses	(80)	(9)	(1)
Effective portion of cash flow hedges	2	(78)	40
Net unrealized gains (losses) on available-for-sale securities	(226)	63	(15)
Other	(3)	(1)	(6)
Other comprehensive income (loss), net of tax	(307)	(25)	18
Comprehensive income	$ 4,774	$ 4,320	$ 3,701

See accompanying notes.

AMGEN INC.

CONSOLIDATED BALANCE SHEETS

December 31, 2013 and 2012

(In millions, except per share data)

	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,805	$ 3,257
Marketable securities	15,596	20,804
Trade receivables, net	2,697	2,518
Inventories	3,019	2,744
Other current assets	2,250	1,886
Total current assets	27,367	31,209
Property, plant and equipment, net	5,349	5,326
Intangible assets, net	13,262	3,968
Goodwill	14,968	12,662
Restricted investments	3,412	—
Other assets	1,767	1,133
Total assets	$ 66,125	$ 54,298
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 787	$ 905
Accrued liabilities	4,655	4,791
Current portion of long-term debt	2,505	2,495
Total current liabilities	7,947	8,191
Long-term debt	29,623	24,034
Other noncurrent liabilities	6,459	3,013
Contingencies and commitments		
Stockholders' equity:		
Common stock and additional paid-in capital; $0.0001 par value; 2,750.0 shares authorized; outstanding — 754.6 shares in 2013 and 756.3 shares in 2012	29,891	29,337
Accumulated deficit	(7,634)	(10,423)
Accumulated other comprehensive income (loss)	(161)	146
Total stockholders' equity	22,096	19,060
Total liabilities and stockholders' equity	$ 66,125	$ 54,298

See accompanying notes.

AMGEN INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended December 31, 2013, 2012 and 2011

(In millions)

	Number of shares of common stock	Common stock and additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 2010	932.1	$ 27,299	$ (3,508)	$ 153	$ 23,944
Net income	—	—	3,683	—	3,683
Other comprehensive income, net of tax	—	—	—	18	18
Dividends	—	—	(787)	—	(787)
Issuance of common stock in connection with the Company's equity award programs	7.8	230	—	—	230
Stock-based compensation	—	337	—	—	337
Tax impact related to employee stock-based compensation	—	(89)	—	—	(89)
Repurchases of common stock	(144.3)	—	(8,307)	—	(8,307)
Balance at December 31, 2011	795.6	27,777	(8,919)	171	19,029
Net income	—	—	4,345	—	4,345
Other comprehensive loss, net of tax	—	—	—	(25)	(25)
Dividends	—	—	(1,187)	—	(1,187)
Issuance of common stock in connection with the Company's equity award programs	23.0	1,288	—	—	1,288
Stock-based compensation	—	359	—	—	359
Tax impact related to employee stock-based compensation	—	(87)	—	—	(87)
Repurchases of common stock	(62.3)	—	(4,662)	—	(4,662)
Balance at December 31, 2012	756.3	29,337	(10,423)	146	19,060
Net income	—	—	5,081	—	5,081
Other comprehensive loss, net of tax	—	—	—	(307)	(307)
Dividends	—	—	(1,521)	—	(1,521)
Issuance of common stock in connection with the Company's equity award programs	7.4	296	—	—	296
Stock-based compensation	—	400	—	—	400
Settlement of conversion value of convertible debt in excess of principal	—	(99)	—	—	(99)
Settlement of convertible note hedge	—	99	—	—	99
Settlement of warrants	—	(100)	—	—	(100)
Tax impact related to employee stock-based compensation	—	(42)	—	—	(42)
Repurchases of common stock	(9.1)	—	(771)	—	(771)
Balance at December 31, 2013	754.6	$ 29,891	$ (7,634)	$ (161)	$ 22,096

See accompanying notes.

AMGEN INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2013, 2012 and 2011

(In millions)

	2013	2012	2011
Cash flows from operating activities:			
Net income	$ 5,081	$ 4,345	$ 3,683
Depreciation and amortization	1,286	1,088	1,060
Stock-based compensation expense	403	362	341
Deferred income taxes	(189)	28	(328)
Property, plant and equipment impairments	19	178	6
Other items, net	84	(74)	63
Changes in operating assets and liabilities, net of acquisitions:			
Trade receivables, net	(38)	348	(557)
Inventories	(7)	(150)	(383)
Other assets	(59)	124	(204)
Accounts payable	(184)	161	(95)
Accrued income taxes	(326)	87	(20)
Legal reserve	—	(780)	780
Other liabilities	221	165	773
Net cash provided by operating activities	6,291	5,882	5,119
Cash flows from investing activities:			
Purchases of property, plant and equipment	(693)	(689)	(567)
Cash paid for acquisitions, net of cash acquired	(9,434)	(2,390)	(701)
Purchases of marketable securities	(21,965)	(26,241)	(21,183)
Proceeds from sales of marketable securities	19,123	17,372	20,871
Proceeds from maturities of marketable securities	5,090	1,994	749
Change in restricted investments, net	(520)	—	—
Other	(70)	(36)	45
Net cash used in investing activities	(8,469)	(9,990)	(786)
Cash flows from financing activities:			
Net proceeds from issuance of debt	8,054	4,933	10,387
Repayment of debt	(3,371)	(123)	(2,500)
Net proceeds from issuance of commercial paper	—	—	762
Repayments of commercial paper	—	—	(762)
Repurchases of common stock	(832)	(4,607)	(8,315)
Dividends paid	(1,415)	(1,118)	(500)
Net proceeds from issuance of common stock in connection with the Company's equity award programs	296	1,288	242
Other	(6)	46	12
Net cash provided by (used in) financing activities	2,726	419	(674)
Increase (decrease) in cash and cash equivalents	548	(3,689)	3,659
Cash and cash equivalents at beginning of period	3,257	6,946	3,287
Cash and cash equivalents at end of period	$ 3,805	$ 3,257	$ 6,946

See accompanying notes.

1. Summary of significant accounting policies

Business

Amgen Inc. (including its subsidiaries, referred to as "Amgen," "the Company," "we," "our" or "us") is a global biotechnology pioneer that discovers, develops, manufactures and delivers innovative human therapeutics. We operate in one business segment: human therapeutics.

Principles of consolidation

The consolidated financial statements include the accounts of Amgen as well as its majority-owned subsidiaries. We do not have any significant interests in any variable interest entities. All material intercompany transactions and balances have been eliminated in consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates.

Product sales

Sales of our products are recognized when shipped and title and risk of loss have passed. Product sales are recorded net of accruals for estimated rebates, wholesaler chargebacks, discounts and other deductions (collectively "sales deductions") and returns. Taxes collected from customers and remitted to government authorities related to the sales of the Company's products, primarily in Europe, are excluded from revenues.

With regard to EPOGEN® (epoetin alfa), we have the exclusive right to sell epoetin alfa for dialysis, certain diagnostics and all non-human, non-research uses in the United States. We granted to Ortho Pharmaceutical Corporation (which has assigned its rights under the product license agreement to Janssen Biotech, Inc.), a subsidiary of Johnson & Johnson (J&J), a license relating to epoetin alfa for sales in the United States for all human uses except dialysis and diagnostics. This license agreement, which is perpetual, may be terminated for various reasons, including upon mutual agreement of the parties, or default. The parties are required to compensate each other for epoetin alfa sales that either party makes into the other party's exclusive market, sometimes referred to as "spillover." Accordingly, we do not recognize product sales we make into the exclusive market of J&J and do recognize product sales made by J&J into our exclusive market. Sales in our exclusive market are derived from our sales to our customers, as adjusted for spillover. We are employing an arbitrated audit methodology to measure each party's spillover based on estimates of and subsequent adjustments thereto of third-party data on shipments to and usage by end users.

We recognize revenue from the sales of product to the U.S. federal government for stockpile in accordance with U.S. Securities and Exchange Commission (SEC) Interpretation, *Commission Guidance Regarding Accounting for Sales of Vaccines and Bioterror Countermeasures to the Federal Government for Placement into the Pediatric Vaccine Stockpile or the Strategic National Stockpile* (SNS). We recognized $155 million of revenue for NEUPOGEN® during the year ended December 31, 2013, for purchases by the government for the SNS. We are contracted to manage this inventory of product until the government requests shipment.

Other revenues

Other revenues consist primarily of royalty income and corporate partner revenues. Royalties from licensees are based on third-party sales of licensed products and are recorded in accordance with contract terms when third-party results are reliably measurable and collectability is reasonably assured. Royalty estimates are made in advance of amounts collected using historical and forecasted trends. Corporate partner revenues are comprised mainly of amounts earned from Kirin-Amgen, Inc. (K-A) and other third parties for certain research and development (R&D) activities, which are recognized as the R&D activities are performed, as well as our share of the U.S. pre-tax Nexavar® commercial profits generated from our collaboration with Bayer HealthCare Pharmaceuticals, Inc. (Bayer). Corporate partner revenues also include license fees and milestone payments earned from K-A and from other third parties. See Multiple-deliverable revenue arrangements, discussed below, Note 6, Collaborative arrangements, and Note 7, Related party transactions.

Multiple-deliverable revenue arrangements

From time to time, we enter into arrangements for the R&D, manufacture and/or commercialization of products and product candidates. These arrangements may require us to deliver various rights, services and/or goods across the entire life cycle of a product or product candidate, including (i) intellectual property rights/licenses, (ii) R&D services, (iii) manufacturing services and/or (iv) commercialization services. The underlying terms of these arrangements generally provide for consideration to Amgen in the form of non-refundable upfront license payments, R&D and commercial performance milestone payments, cost sharing and/or royalty payments.

In arrangements involving the delivery of more than one element, each required deliverable is evaluated to determine whether it qualifies as a separate unit of accounting. For Amgen, this determination is generally based on whether the deliverable has "stand-alone value" to the customer. The arrangement's consideration that is fixed and determinable is then allocated to each separate unit of accounting based on the relative selling price of each deliverable. The estimated selling price of each deliverable is determined using the following hierarchy of values: (i) vendor-specific objective evidence of fair value, (ii) third-party evidence of selling price and (iii) best estimate of selling price (BESP). The BESP reflects our best estimate of what the selling price would be if the deliverable was regularly sold by us on a stand-alone basis. In general, the consideration allocated to each unit of accounting is recognized as the related goods or services are delivered, limited to the consideration that is not contingent upon future deliverables. Consideration associated with at-risk substantive performance milestones is recognized as revenue upon the achievement of the related milestone, as defined in the respective contracts.

Research and development costs

R&D costs are expensed as incurred and include primarily salaries, benefits and other staff-related costs; facilities and overhead costs; clinical trial and related clinical manufacturing costs; contract services and other outside costs; information systems' costs and amortization of acquired technology used in R&D with alternative future uses. R&D expenses also include costs and cost recoveries associated with third-party R&D arrangements such as with K-A, including upfront fees and milestones paid to third parties in connection with technologies which had not reached technological feasibility and did not have an alternative future use. Net payment or reimbursement of R&D costs is recognized when the obligations are incurred or as we become entitled to the cost recovery. See Note 6, Collaborative arrangements, and Note 7, Related party transactions.

Selling, general and administrative costs

Selling, general and administrative (SG&A) expenses are comprised primarily of salaries, benefits and other staff-related costs associated with sales and marketing, finance, legal and other administrative personnel; facilities and overhead costs; outside marketing, advertising and legal expenses; amortization of the U.S. healthcare reform federal excise fee; and other general and administrative costs. Advertising costs are expensed as incurred. SG&A expenses also include costs and cost recoveries associated with marketing and promotion efforts under certain collaboration arrangements. Net payment or reimbursement of SG&A costs is recognized when the obligations are incurred or we become entitled to the cost recovery. See Note 6, Collaborative arrangements.

Stock-based compensation

We have stock-based compensation plans under which various types of equity-based awards are granted, including restricted stock units (RSUs), performance units and stock options. The estimated fair values of RSUs and stock option awards which are subject only to service conditions with graded vesting are generally recognized as compensation expense on a straight-line basis over the service period. The estimated fair values of performance unit awards are generally recognized as compensation expense as the awards vest ratably from the grant date to the end of the performance period. See Note 3, Stock-based compensation.

Income taxes

We provide for income taxes based on pretax income, applicable tax rates and tax planning opportunities available in the various jurisdictions in which we operate. Deferred income taxes are recorded for the expected tax consequences of temporary differences between the basis of assets and liabilities for financial reporting purposes and amounts recognized for income tax purposes. We record a valuation allowance to reduce our deferred tax assets to the amount of future tax benefit that is more likely than not to be realized.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. The tax benefit recognized in the financial statements for a particular tax position is based on the largest benefit that is more likely than not to be realized. The

amount of unrecognized tax benefits (UTBs) is adjusted as appropriate for changes in facts and circumstances, such as significant amendments to existing tax law, new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, or resolution of an examination. We recognize both accrued interest and penalties, where appropriate, related to UTBs in income tax expense. See Note 4, Income taxes.

Business combinations

Business combinations are accounted for using the acquisition method of accounting. Under the acquisition method, assets acquired, including in-process research and development (IPR&D) projects, and liabilities assumed are recorded at their respective fair values as of the acquisition date in our consolidated financial statements. The excess of the fair value of consideration transferred over the fair value of the net assets acquired is recorded as goodwill. Contingent consideration obligations incurred in connection with a business combination (including the assumption of an acquiree's liability arising from a business combination it consummated prior to our acquisition) are recorded at their fair values on the acquisition date and remeasured at their fair values each subsequent reporting period until the related contingencies are resolved. The resulting changes in fair values are recorded in earnings. See Note 2, Business combinations, and Note 16, Fair value measurement.

Cash equivalents

We consider cash equivalents to be only those investments which are highly liquid, readily convertible to cash and which mature within three months from the date of purchase.

Available-for-sale investments

We consider our investment portfolio available-for-sale and, accordingly, these investments are recorded at fair value with unrealized gains and losses generally recorded in other comprehensive income. Investments with maturities beyond one year, other than Restricted investments, may be classified as short-term marketable securities in the Consolidated Balance Sheets due to their highly liquid nature and because they represent the Company's investments that are available for current operations. See Note 9, Available-for-sale investments, and Note 16, Fair value measurement.

Inventories

Inventories are stated at the lower of cost or market. Cost, which includes amounts related to materials, labor and overhead, is determined in a manner that approximates the first-in, first-out method. See Note 10, Inventories.

Derivatives

We recognize all of our derivative instruments as either assets or liabilities at fair value in the Consolidated Balance Sheets. The accounting for changes in the fair value of a derivative instrument depends upon whether it has been formally designated and qualifies as part of a hedging relationship under the applicable accounting standards and, further, on the type of hedging relationship. For derivatives formally designated as hedges, we assess both at inception and quarterly thereafter, whether the hedging derivatives are highly effective in offsetting changes in either the fair value or cash flows of the hedged item. Our derivatives that are not designated and do not qualify as hedges are adjusted to fair value through current earnings. See Note 16, Fair value measurement, and Note 17, Derivative instruments.

Property, plant and equipment, net

Property, plant and equipment is recorded at historical cost, net of accumulated depreciation, amortization and, if applicable, impairment charges. We review our property, plant and equipment assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Depreciation is provided over the assets' useful lives on a straight-line basis. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or lease terms. See Note 11, Property, plant and equipment.

Goodwill and other intangible assets

Finite-lived intangible assets are recorded at cost, net of accumulated amortization and, if applicable, impairment charges. Amortization of finite-lived intangible assets is provided over their estimated useful lives on a straight-line basis. We review our finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. See Note 12, Goodwill and other intangible assets.

The estimated fair values of IPR&D projects acquired in a business combination which are not complete are capitalized and accounted for as indefinite-lived intangible assets until completion or abandonment of the related R&D efforts. Upon successful

completion of the project, the capitalized amount is amortized over its estimated useful life. If a project is abandoned, all remaining capitalized amounts are written-off immediately. There are often major risks and uncertainties associated with IPR&D projects as we are required to obtain regulatory approvals in order to be able to market these products. Such approvals require completing clinical trials that demonstrate a product candidate is safe and effective. Consequently, the eventual realized value of the acquired IPR&D project may vary from its estimated fair value at the date of acquisition, and IPR&D impairment charges may occur in future periods.

Capitalized IPR&D projects are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We consider various factors for potential impairment including the current legal and regulatory environment and the competitive landscape. Adverse clinical trial results, significant delays in obtaining market approval and the inability to bring a product to market could result in the related intangible assets to be partially or fully impaired.

We perform an impairment test of goodwill annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. To date, an impairment of goodwill has not been recorded. See Note 12, Goodwill and other intangible assets.

Restricted investments

We have restricted investments on our Consolidated Balance Sheet that are owned by ATL Holdings Limited (ATL Holdings), a wholly-owned subsidiary. ATL Holdings is an entity distinct from the Company and its other subsidiaries, with separate assets and liabilities. Because a third party owns Class A preferred shares of ATL Holdings, this entity is required to hold restricted cash or investments. See Note 14, Financing arrangements.

Contingencies

In the ordinary course of business, we are involved in various legal proceedings and other matters such as intellectual property disputes, contractual disputes, governmental investigations and class action suits which are complex in nature and have outcomes that are difficult to predict. Certain of these proceedings are discussed in Note 18, Contingencies and commitments. We record accruals for loss contingencies to the extent that we conclude that it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated. We consider all relevant factors when making assessments regarding these contingencies.

While it is not possible to accurately predict or determine the eventual outcomes of these items, an adverse determination in one or more of these items currently pending could have a material adverse effect on our consolidated results of operations, financial position or cash flows.

Foreign currency translation

The net assets of international subsidiaries where the local currencies have been determined to be the functional currencies are translated into U.S. dollars using current exchange rates. The U.S. dollar effects that arise from translating net assets of these subsidiaries at changing rates are recognized in other comprehensive income. The earnings of these subsidiaries are translated into U.S. dollars using average exchange rates.

Reclassifications

Prior-period amounts for amortization of certain acquired intangible assets have been reclassified within Operating expenses in our Consolidated Statements of Income to conform to the current-period presentation.

Recent accounting pronouncements

In January 2013, we adopted a new accounting standard that requires additional disclosures regarding amounts that are reclassified out of accumulated other comprehensive income (AOCI). In accordance with the requirements of the standard, the effects of significant reclassifications out of AOCI, by component, on the respective lines in the Consolidated Statements of Income are presented in Note 15, Stockholders' equity. The standard was required to be applied prospectively beginning January 1, 2013.

2. Business combinations

Onyx Pharmaceuticals

On October 1, 2013, we acquired all of the outstanding stock of Onyx Pharmaceuticals, Inc. (Onyx), a global biopharmaceutical company engaged in the development and commercialization of innovative therapies for improving the lives

of people with cancer. Onyx has a multiple myeloma franchise, with Kyprolis ® for Injection already approved in the United States, and with oprozomib being evaluated in clinical trials for patients with hematologic malignancies. In addition, Onyx has three partnered oncology assets: Nexavar® tablets (an Onyx and Bayer compound), Stivarga® tablets (a Bayer compound), and palbociclib (a Pfizer, Inc. (Pfizer) compound). This transaction, which was accounted for as a business combination, provides us with an opportunity to expand our oncology franchise. Onyx's operations have been included in our consolidated financial statements commencing on the acquisition date.

The aggregate consideration to acquire Onyx was paid in cash and consisted of (in millions):

Total consideration transferred	$	9,515
Compensation expense		197
Total cash paid	$	9,712

The $9,515 million cash payment consisted of a $9,184 million cash payment to the outstanding common stockholders and $331 million cash payment to the Onyx equity award holders for services rendered prior to October 1, 2013 under the Onyx equity award plans. The remaining $197 million of cash, which related to the accelerated vesting of the remaining Onyx equity awards, was recognized as compensation expense during the three months ended December 31, 2013. This amount was included primarily in Selling, general and administrative expense in the Consolidated Statement of Income.

The consideration to acquire Onyx was preliminarily allocated to the acquisition date fair values of assets acquired and liabilities assumed as follows (in millions):

Cash and cash equivalents	$	319
Marketable securities		337
Inventories		250
Indefinite-lived intangible assets - IPR&D		1,160
Finite-lived intangible assets - Developed product technology rights		5,910
Finite-lived intangible assets - Licensing rights		2,792
Goodwill		2,526
Convertible debt		(742)
Assumed contingent consideration		(261)
Deferred income taxes, net		(2,918)
Other assets (liabilities), net		142
Total consideration	$	9,515

The developed product technology rights acquired relate to Kyprolis ® which is approved in the U.S. This product technology is being amortized on a straight-line basis over the estimated useful life of 12 years.

Licensing rights acquired represent the aggregate estimated fair values of receiving future milestone, royalty and/or profit sharing payments associated with various contract agreements that were entered into by Onyx prior to the acquisition. The weighted-average useful life of these finite-lived intangible assets is ten years and they are primarily being amortized on a straight-line basis.

The fair value of the developed product technology rights and licensing rights acquired were determined by estimating the probability-weighted net cash flows attributable to these rights discounted to present value using a discount rate that represents the estimated rate that market participants would use to value this intangible asset.

The estimated fair value of acquired IPR&D is related to: (i) the development of Kyprolis ® in the territories outside the U.S. (excluding Japan), where regulatory approval to market the product has not been received, and (ii) oprozomib. The estimated fair values were determined using a probability-weighted income approach, which discounts expected future cash flows to present value using a discount rate that represents the estimated rate that market participants would use to value the assets. The projected cash flows from these projects were based on certain assumptions, including estimates of future revenues and expenses, the time and resources needed to complete development and the probabilities of obtaining marketing approval from regulatory agencies.

We assumed contingent consideration obligations upon the acquisition of Onyx arising from Onyx's 2009 acquisition of Proteolix, Inc. There are two separate milestone payments of $150 million each which would be triggered if Kyprolis ® receives specified marketing approvals for relapsed multiple myeloma on or before March 31, 2016, by each of the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA). The assumed contingent consideration value was determined

by discounting probability-adjusted cash outflows to present value using a discount rate that represents the estimated rate that market participants would use.

The excess of the acquisition date consideration over the fair values assigned to the assets acquired and the liabilities assumed of $2.5 billion was recorded as goodwill, which is not deductible for tax purposes and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized and the expected synergies and other benefits that we believe will result from combining the operations of Onyx with our operations.

Our accounting for this acquisition is preliminary. The fair value estimates for the assets acquired and liabilities assumed were based upon preliminary calculations and valuations and our estimates and assumptions are subject to change as we obtain additional information for our estimates during the measurement period (up to one year from the acquisition date). The primary areas of those preliminary estimates that are not yet finalized relate to certain tangible assets and liabilities acquired, identifiable intangible assets and tax related items.

We incurred $36 million of transaction-related expense which was recorded in Selling, general, and administrative expenses in the Consolidated Statement of Income for the year ended December 31, 2013.

The following table presents supplemental pro forma information for the year ended December 31, 2013 and 2012, as if the acquisition of Onyx had occurred on January 1, 2012 (in millions, unaudited):

	2013	2012
Pro forma net revenues	$ 19,141	$ 17,616
Pro forma net income	4,848	3,700

The unaudited pro forma consolidated results include pro forma adjustments that assume the acquisition occurred on January 1, 2012. The primary adjustments include: (i) the $197 million cash payment that was paid and recognized as compensation expense during the fourth quarter of 2013 related to the accelerated vesting of the remaining Onyx equity awards was included in the net income attributable to Amgen for the year ended December 31, 2012, and (ii) additional intangible amortization expense of $488 million and $412 million was included in the year ended December 31, 2013 and 2012, respectively. The adjustments also include the impact of additional interest expense on debt issued in connection with the acquisition of Onyx assuming the debt was incurred on January 1, 2012. The unaudited pro forma consolidated results are not necessarily indicative of what our consolidated results of operations actually would have been had we completed the acquisition on January 1, 2012. In addition, the unaudited pro forma consolidated results do not purport to project the future results of operations of the combined company nor do they reflect the expected realization of any cost savings associated with the acquisition.

deCODE Genetics

On December 10, 2012, we acquired for cash all of the outstanding stock of deCODE Genetics (deCODE), a privately held company that is a global leader in human genetics. The transaction provides us with an opportunity to enhance our efforts to identify and validate human disease targets. Consideration was allocated primarily to a finite-lived intangible asset of discovery capacity in the genetics of human diseases with an estimated useful life of 10 years.

KAI Pharmaceuticals

On July 5, 2012, we acquired for cash all of the outstanding stock of KAI Pharmaceuticals (KAI), a privately held biotechnology company that is developing velcalcetide (formerly AMG 416), its lead product candidate, which is in phase 3 clinical development for the treatment of secondary hyperparathyroidism in patients with chronic kidney disease (CKD) who are on dialysis. The transaction provides us with an opportunity to further expand our nephrology pipeline. The acquired IPR&D is related to velcalcetide.

Goodwill is attributable primarily to expected synergies and other benefits from combining KAI with our nephrology development and commercialization activities.

Mustafa Nevzat Pharmaceuticals

On June 12, 2012, we acquired for cash substantially all of the outstanding stock of Mustafa Nevzat Pharmaceuticals (MN), a privately held company that is a leading supplier of pharmaceuticals to the hospital sector and a major supplier of injectable medicines in Turkey. The transaction provides us with the opportunity to expand our presence in Turkey and the surrounding region.

The finite-lived intangible assets acquired are related primarily to the fair values of MN's regulatory approvals and customer relationships with regard to the marketing of pharmaceutical products and are being amortized on a straight-line basis over their estimated useful lives. The weighted-average useful life of these intangible assets is eight years.

Goodwill is attributable primarily to MN's expected continued commercial presence in Turkey and other benefits.

Micromet, Inc.

On March 7, 2012, we acquired for cash consideration Micromet, Inc. (Micromet), a publicly held biotechnology company focused on the discovery, development and commercialization of innovative antibody-based therapies for the treatment of cancer. This transaction provides us with an opportunity to further expand our oncology pipeline.

The estimated fair value of acquired IPR&D is related to blinatumomab, which is in phase 3 clinical development for the treatment of acute lymphoblastic leukemia (ALL) and outlicense agreements entered into by Micromet prior to our acquisition of the company where we continue to play an active role in the development of the respective programs.

During 2012, a non-key program under one of these outlicensing arrangements was terminated and resulted in an impairment charge of $19 million which was included in Other operating expenses.

The R&D technology rights acquired relate to Micromet's BiTE ® technology platform which has produced various product candidates that are currently being developed as cancer treatments by Micromet and others and may lead to the development of additional product candidates. The fair value of this technology is being amortized on a straight-line basis over its estimated useful life of 10 years.

Goodwill is attributable primarily to expected synergies and other benefits from combining Micromet with our oncology development and commercialization activities.

BioVex Group, Inc.

On March 4, 2011, we acquired all of the outstanding stock of BioVex Group, Inc. (BioVex), a privately held biotechnology company developing treatments for cancer and for the prevention of infectious disease, including talimogene laherparepvec, a novel oncolytic vaccine in phase 3 clinical development for the treatment of melanoma. The transaction provides us with an opportunity to expand our efforts to bring novel therapeutics to market.

The acquisition date consideration consisted of $407 million of cash and contingent consideration obligations with an aggregate acquisition date fair value of $190 million. The contingent consideration obligations are additional payments to be made to the former shareholders of BioVex of up to $575 million contingent upon the achievement of various regulatory and sales milestones with regard to talimogene laherparepvec, including the filing of a Biologics License Application (BLA) with the FDA; the first commercial sale in each of the United States and the European Union (EU) following receipt of marketing approval, which includes use of the product in specified patient populations; and upon achieving specified levels of sales. No payments have been made as of December 31, 2013.

The contingent consideration obligations to make regulatory milestone payments were valued based on assumptions regarding the probability of achieving the milestones and making the related payments, with such amounts discounted to present value based on our credit risk. The contingent consideration obligations to make sales milestone payments were valued based on assumptions regarding the probability of achieving specified product sales thresholds to determine the required payments, with such amounts discounted to present value based on our credit risk. See Note 16, Fair value measurement for information regarding the estimated fair values of these obligations as of December 31, 2013.

The estimated fair value of acquired IPR&D is related to talimogene laherparepvec. Goodwill is attributable primarily to future economic benefit arising from other assets acquired that could not be individually identified.

The consideration to acquire deCODE, KAI, MN, Micromet, and BioVex was allocated to the acquisition date fair values of the assets acquired and liabilities assumed as follows (in millions):

	deCODE	KAI	MN	Micromet	BioVex
IPR&D	$ —	$ 240	$ —	$ 570	$ 675
Developed product technology rights	—	—	81	—	—
R&D technology rights	465	—	—	350	—
Marketing-related rights	—	—	82	—	—
Deferred income taxes, net	(37)	(59)	(45)	(191)	(246)
Other assets (liabilities), net	(29)	26	179	170	(2)
Goodwill	—	125	380	247	170
Total consideration	$ 399	$ 332	$ 677	$ 1,146	$ 597

deCODE's preliminary goodwill estimate at December 31, 2012 has been revised primarily for adjustments of the preliminary amount allocated to the fair value of acquired R&D technology rights of $64 million based on finalizing our financial assumptions and net deferred tax adjustments of $43 million. Revisions to goodwill at December 31, 2012 for Micromet relate to net deferred tax adjustments of $83 million.

The estimated fair values of intangible assets were primarily determined using a probability-weighted income approach, which discounts expected future cash flows to present value by using a discount rate that represents the estimated rate that market participants would use to value this intangible asset. The projected cash flows were based on certain assumptions, including estimates of future revenues and expenses, the time and resources needed to complete development and the probabilities of obtaining marketing approval from the FDA and other regulatory agencies.

For all IPR&D projects in the acquisitions discussed above, including Onyx, there are major risks and uncertainties associated with the timely and successful completion of development and commercialization of these product candidates, including our ability to confirm their safety and efficacy based on data from clinical trials, our ability to obtain necessary regulatory approvals and our ability to successfully complete these tasks within budgeted costs. We are not able to market a human therapeutic without obtaining regulatory approvals, and such approvals require completing clinical trials that demonstrate a product candidate is safe and effective. Consequently, the eventual realized value, if any, of these acquired IPR&D projects may vary from their estimated fair values at the dates of acquisition.

Other acquisitions

We also acquired the businesses described below during 2011:

On April 7, 2011, we acquired all of the outstanding stock of Laboratório Químico Farmacêutico Bérgamo Ltda (Bergamo), a privately held Brazilian pharmaceutical company.

On May 16, 2011, we acquired a manufacturing facility in Dun Laoghaire, Ireland, from Pfizer. Under the terms of the agreement, most staff at the facility became Amgen employees, and we agreed to manufacture certain products for Pfizer at the facility for a certain period.

On June 15, 2011, we reacquired rights to distribute certain of our products in the Brazilian pharmaceutical market from our local distributor in Brazil and its parent company, Hypermarcas, and in connection therewith acquired all business operations related to these products in Brazil.

The aggregate acquisition date consideration for these businesses was approximately $453 million, composed primarily of cash paid to the former owners of the businesses. The aggregate acquisition date consideration was allocated to (i) goodwill of $265 million, of which $130 million related to Bergamo was tax deductible: (ii) property, plant and equipment of $99 million; (iii) amortizable intangible assets composed primarily of licenses to distribute products and customer contracts of $58 million; and (iv) other assets, net of $31 million. Goodwill resulting from these acquisitions is attributable primarily to the benefits of immediate, direct access to the Brazilian market for expediting our international expansion efforts and geographic diversification to assist in risk mitigation efforts related to our manufacturing operations.

The operations of each of the acquired businesses discussed above, excluding Onyx, were not material individually or in the aggregate to our consolidated financial statements. Pro forma supplemental consolidated results of operations that assumes the acquisitions of the businesses discussed above all occurred on January 1 of the year prior to the year of acquisition are not provided because the impact would not be material to our consolidated results of operations either individually or in the aggregate.

Results of operations from acquired companies have been included in our consolidated financial statements as of the acquisition date. The goodwill valued in these acquisitions, excluding Bergamo, is non-deductible for tax purposes.

Filgrastim and pegfilgrastim rights acquisition

In October 2013, we entered into an agreement to acquire the licenses to filgrastim and pegfilgrastim effective January 1, 2014, that were held by F. Hoffmann-La Roche Ltd. ("Roche") in approximately 100 markets in Eastern Europe, Latin America, Asia, the Middle East and Africa, for total cash consideration of $479 million. This transaction will be accounted for as a business combination as the acquired rights and processes are capable of producing an immediate return to us. We are currently in the process of valuing the assets acquired and liabilities assumed in the business combination.

3. Stock-based compensation

On May 22, 2013, our stockholders approved our Amended and Restated 2009 Equity Incentive Plan (the Amended 2009 Plan), which amended and restated our 2009 Equity Incentive Plan (the 2009 Plan) and increased the number of shares of our common stock authorized for issuance pursuant to equity-based awards under the 2009 Plan to approximately 104 million shares (plus any additional shares that are added back into the authorized pool as described below). Like the 2009 Plan, the Amended 2009 Plan provides for grants of equity-based awards, including RSUs, stock options and performance units to employees and consultants of Amgen, its subsidiaries and non-employee members of our Board of Directors. The 2009 Plan replaced our prior equity plans (the Prior Plans), and no further awards may be made under these Prior Plans. Consistent with the 2009 Plan, the pool of shares available under the Amended 2009 Plan is reduced by one share for each stock option granted and by 1.9 shares for other types of awards granted, including RSUs and performance units (full-value awards). Generally, if any shares subject to an award granted under the Amended 2009 Plan expire, or are forfeited, terminated or cancelled without the issuance of shares, the shares subject to such awards are added back into the authorized pool on the same basis that they were removed. In addition, under the Amended 2009 Plan, shares withheld to pay for minimum statutory tax obligations with respect to full value awards will be added back into the authorized pool on the basis of 1.9 shares. As of December 31, 2013, the Amended 2009 Plan provides for future grants and/or issuances of up to approximately 58 million shares of our common stock. Stock-based awards under our employee compensation plans are made with newly issued shares reserved for this purpose.

The following table reflects the components of stock-based compensation expense recognized in our Consolidated Statements of Income for the years ended December 31, 2013, 2012 and 2011 (in millions):

	2013	2012	2011
RSUs	$ 206	$ 186	$ 188
Performance units	163	117	68
Stock options	34	59	85
Total stock-based compensation expense, pretax	403	362	341
Tax benefit from stock-based compensation expense	(149)	(134)	(124)
Total stock-based compensation expense, net of tax	$ 254	$ 228	$ 217

Restricted stock units and stock options

Eligible employees generally receive a grant of RSUs annually with the size and type of award generally determined by the employee's salary grade and performance level. In addition, certain management and professional level employees typically receive RSU grants upon commencement of employment. Prior to 2012, eligible employees also received a grant of stock options annually. Prior to February 2013, non-employee members of our Board of Directors (outside directors) received a grant of RSUs and stock options annually and received a grant of stock options in connection with their appointment to the Board of Directors. Beginning in April 2013, outside directors receive only annual grants of RSUs.

Our RSU and stock option grants provide for accelerated or continued vesting in certain circumstances as defined in the plans and related grant agreements, including upon death, disability, a change in control, termination in connection with a change in control and the retirement of employees who meet certain service and/or age requirements. RSUs and stock options granted prior to April 25, 2011, generally vest in equal amounts on each of the first four anniversaries of the grant date. Stock options and RSUs granted on and after April 25, 2011, generally vest in approximately equal amounts on the second, third and fourth anniversaries of the grant date. RSUs granted on and after April 27, 2012, accrue dividend equivalents which are typically payable in shares only when and to the extent the underlying RSUs vest and are issued to the recipient.

Restricted stock units

The grant date fair value of an RSU equaled the closing price of our common stock on the grant date for RSUs granted prior to April 25, 2011, and on and after April 27, 2012. Prior to April 2011, we did not have a policy of paying dividends, and beginning April 27, 2012, RSUs granted accrue dividend equivalents during the vesting period. The fair values of RSUs granted on April 25, 2011 through April 26, 2012, are based on the closing price of our common stock on the grant date reduced by the weighted-average expected dividend yield of 2.0% over the weighted-average vesting period, discounted at a weighted-average risk-free interest rate of 1.0%. The weighted-average grant date fair values of RSUs granted in 2013, 2012 and 2011 were $107.01, $72.99 and $51.83, respectively. The following summarizes select information regarding our RSUs during the year ended December 31, 2013:

	Units (in millions)	Weighted-average grant date fair value
Balance nonvested at December 31, 2012	9.4	$ 61.14
Granted	2.8	$ 107.01
Vested	(2.7)	$ 54.74
Forfeited	(0.7)	$ 69.84
Balance nonvested at December 31, 2013	8.8	$ 76.75

The total fair values of shares associated with RSUs that vested during the years ended December 31, 2013, 2012 and 2011, were $145 million, $139 million and $176 million, respectively.

As of December 31, 2013, there was approximately $394 million of unrecognized compensation costs related to nonvested stock option and RSU awards, which is expected to be recognized over a weighted-average period of 1.8 years.

Stock options

The exercise price for stock options is set at the closing price of our common stock on the date of grant and the related number of shares granted is fixed at that point in time. Awards granted to employees on and after April 26, 2010, expire 10 years from the date of grant; options granted to employees prior to that date expire seven years from the date of grant.

We use an option valuation model to estimate the grant date fair value of stock options. The weighted-average assumptions used in the option valuation model and the resulting weighted-average estimated grant date fair values of stock options were as follows for the years ended December 31, 2013, 2012 and 2011:

	2013	2012	2011
Closing price of our common stock on grant date	$ 85.59	$ 74.56	$ 54.66
Expected volatility	23.1%	22.2%	23.5%
Expected life (in years)	8.1	8.1	5.9
Risk-free interest rate	1.7%	1.6%	2.5%
Expected dividend yield	2.2%	2.1%	2.0%
Fair value of stock options granted	$ 17.43	$ 14.65	$ 11.39

The expected volatility reflects consideration of the implied volatility in publicly traded instruments associated with Amgen's common stock during the period the options were granted. We believe implied volatility in these instruments is more indicative of expected future volatility than the historical volatility in the price of our common stock. We use historical data to estimate the expected life of the options. The risk-free interest rates for periods within the expected life of the option are based on the U.S. Treasury yield curve in effect during the period the options were granted. The expected dividend yield for options granted on and after April 25, 2011, was based on expectations regarding our policy of paying dividends announced in April 2011.

The following summarizes select information regarding our stock options during the year ended December 31, 2013:

	Options (in millions)	Weighted-average exercise price	Weighted-average remaining contractual life (years)	Aggregate intrinsic value (in millions)
Balance unexercised at December 31, 2012	12.3	$ 56.09		
Granted	0.1	$ 85.59		
Exercised	(4.7)	$ 58.05		
Expired/forfeited	(0.3)	$ 56.93		
Balance unexercised at December 31, 2013	7.4	$ 54.91	4.8	$ 436
Vested or expected to vest at December 31, 2013	7.3	$ 54.91	4.8	$ 434
Exercisable at December 31, 2013	4.8	$ 53.95	3.7	$ 291

The total intrinsic values of options exercised during the years ended December 31, 2013, 2012 and 2011, were $210 million, $320 million and $47 million, respectively. The actual tax benefits realized from tax deductions from option exercises during the three years ended December 31, 2013, 2012 and 2011, were $77 million, $117 million and $14 million, respectively.

Performance units

Certain management-level employees also receive annual grants of performance units, which give the recipient the right to receive common stock that is contingent upon achievement of specified pre-established goals over the performance period, which is generally three years. The performance goals for the units granted in 2013, 2012 and 2011, which are accounted for as equity awards, are based upon Amgen's stockholder return compared with a comparator group of companies, which are considered market conditions and are reflected in the grant date fair values of the units. The expense recognized for the awards is based on the grant date fair value of a unit multiplied by the number of units granted, net of estimated forfeitures. Depending on the outcome of these performance goals, a recipient may ultimately earn a number of units greater or less than the number of units granted. Shares of our common stock are issued on a one-for-one basis for each performance unit earned. In general, participants vest in their performance unit awards at the end of the performance period. The performance award program provides for accelerated or continued vesting in certain circumstances as defined in the plan, including upon death, disability, a change in control and retirement of employees who meet certain service and/or age requirements. Performance units granted in 2012 and later accrue dividend equivalents which are typically payable in shares only when and to the extent the underlying performance units vest and are issued to the recipient, including with respect to market conditions that affect the number of performance units earned.

We used payout simulation models to estimate the grant date fair value of performance units granted in 2013, 2012 and 2011. The weighted-average assumptions used in these models and the resulting weighted-average grant date fair values of our performance units were as follows for the years ended December 31, 2013, 2012 and 2011:

	2013	2012	2011
Closing price of our common stock on grant date	$ 92.03	$ 68.75	$ 51.67
Volatility	21.0%	22.9%	32.8%
Risk-free interest rate	0.4%	0.5%	1.2%
Fair value of unit	$ 102.73	$ 78.21	$ 49.50

The payout simulation models also assumed correlations of returns of the stock prices of our common stock and the common stocks of the comparator groups of companies and stock price volatilities of the comparator groups of companies.

As of December 31, 2013 and 2012, a total of 6.6 million and 5.8 million performance units were outstanding with weighted-average grant date fair values of $76.95 and $65.15 per unit, respectively. During the year ended December 31, 2013, 2.1 million performance units with a weighted-average grant date fair value of $102.73 were granted, 2.4 million performance units with a weighted-average grant date fair value of $49.33 vested, and 0.5 million performance units with a weighted-average grant date fair value of $73.13 were forfeited.

The total fair values of performance units that vested during 2013, 2012 and 2011 were $270 million, $100 million and $25 million, respectively, based upon the number of performance units earned multiplied by the closing stock price of our common stock on the last day of the performance period.

As of December 31, 2013, there was approximately $173 million of unrecognized compensation cost related to the 2013 and 2012 performance unit grants that is expected to be recognized over a weighted-average period of approximately 0.9 years.

4. Income taxes

The provision for income taxes includes the following for the years ended December 31, 2013, 2012 and 2011 (in millions):

	2013	2012	2011
Current provision:			
Federal	$ 54	$ 438	$ 551
State	26	47	54
Foreign	191	158	148
Total current provision	271	643	753
Deferred provision (benefit):			
Federal	(86)	83	(273)
State	19	(43)	(12)
Foreign	(20)	(19)	(1)
Total deferred provision (benefit)	(87)	21	(286)
Total provision	$ 184	$ 664	$ 467

Deferred income taxes reflect the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, tax credit carryforwards and the tax effects of net operating loss (NOL) carryforwards.

Significant components of our deferred tax assets and liabilities are as follows as of December 31, 2013 and 2012 (in millions):

	2013	2012
Deferred income tax assets:		
NOL and credit carryforwards	$ 1,017	$ 427
Expense accruals	697	805
Expenses capitalized for tax	196	195
Stock-based compensation	211	115
Deferred revenue	40	40
Other	104	83
Total deferred income tax assets	2,265	1,665
Valuation allowance	(314)	(273)
Net deferred income tax assets	1,951	1,392
Deferred income tax liabilities:		
Acquired intangibles	(4,430)	(1,249)
Fixed assets	(8)	(117)
Unremitted foreign earnings	(55)	(106)
Other	(200)	(145)
Total deferred income tax liabilities	(4,693)	(1,617)
Total deferred income taxes, net	$ (2,742)	$ (225)

At December 31, 2013 and 2012, we had net noncurrent deferred tax liabilities of $3.5 billion and $0.9 billion, respectively, related primarily to the difference between the book basis and tax basis of intangible assets acquired in business combinations. These amounts are included in Other noncurrent liabilities on the Consolidated Balance Sheets.

Valuation allowances are provided to reduce the amounts of our deferred tax assets to an amount that is more likely than not to be realized based on an assessment of positive and negative evidence, including estimates of future taxable income necessary to realize future deductible amounts.

The valuation allowance for deferred tax assets increased by $41 million and $147 million in 2013 and 2012, respectively, due primarily to valuation allowances established as part of acquisitions and the Company's expectation that some state R&D credits will not be utilized.

At December 31, 2013, we had $341 million of federal tax credit carryforwards available to reduce future federal income taxes and have provided a valuation allowance for $4 million of those federal tax credits. The federal tax credit carryforwards for which no valuation allowance has been provided expire between 2018 and 2033. We had $313 million of tax credit carryforwards available to reduce future state income taxes and have provided a valuation allowance for $202 million of those state tax credit carryforwards. The majority of the state tax credit carryforwards have no expiry; the remainder expires between 2018 and 2020.

At December 31, 2013, we had $425 million of NOL carryforwards available to reduce future federal income taxes and have provided a valuation allowance for $80 million of those federal NOL carryforwards. The federal NOL carryforwards for which no valuation allowance has been provided expire between 2023 and 2033. We had $883 million of NOL carryforwards available to reduce future state income taxes and have provided a valuation allowance for $266 million of those state NOL carryforwards. The state NOLs for which no valuation allowance has been provided expire between 2014 and 2033. We had $1.3 billion of NOL carryforwards available to reduce future foreign income taxes and have provided a valuation allowance for $770 million of those foreign NOL carryforwards. The majority of the foreign NOLs have no expiry; the remainder of the foreign NOLs expire between 2014 and 2022.

The reconciliation of the total gross amounts of UTBs (excluding interest, penalties, foreign tax credits and the federal tax benefit of state taxes related to UTBs) for the years ended December 31, 2013, 2012 and 2011 is as follows (in millions):

	2013	2012	2011
Balance at beginning of year	$ 1,200	$ 975	$ 920
Additions based on tax positions related to the current year	335	300	283
Additions based on tax positions related to prior years	96	5	1
Reductions for tax positions of prior years	(192)	(50)	(8)
Settlements	(24)	(30)	(221)
Balance at end of year	$ 1,415	$ 1,200	$ 975

Substantially all of the UTBs as of December 31, 2013, if recognized, would affect our effective tax rate. During the year ended December 31, 2013, we settled our examination with the Internal Revenue Service (IRS) for the years ended December 31, 2007, 2008, and 2009. During the year ended December 31, 2012, we settled examinations with various state and foreign tax authorities for prior tax years. During the year ended December 31, 2011, we settled our examination with the IRS related to certain transfer pricing tax positions for the years ended December 31, 2007, 2008 and 2009. As a result of these developments, we remeasured our UTBs accordingly. As of December 31, 2013, we believe it is reasonably possible that our gross liabilities for UTBs may decrease by approximately $70 million within the succeeding twelve months due to the resolution of state audits.

Interest and penalties related to UTBs are included in our provision for income taxes. During 2013, 2012 and 2011, we accrued approximately $32 million, $30 million and $23 million, respectively, of interest and penalties through the income tax provision in the Consolidated Statements of Income. At December 31, 2013 and 2012, accrued interest and penalties associated with UTBs totaled approximately $99 million and $102 million, respectively.

The reconciliation between the federal statutory tax rate applied to income before income taxes and our effective tax rate for the years ended December 31, 2013, 2012 and 2011, is as follows:

	2013	2012	2011
Federal statutory tax rate	35.0 %	35.0 %	35.0 %
Foreign earnings, including earnings invested indefinitely	(21.3)%	(17.8)%	(19.4)%
Credits, Puerto Rico Excise Tax	(4.7)%	(5.2)%	(6.5)%
Credits, primarily federal R&D	(3.0)%	— %	(1.5)%
State taxes	0.8 %	0.6 %	0.7 %
Audit settlements (federal, state, foreign)	(3.7)%	0.3 %	— %
Legal settlements	— %	(0.2)%	2.2 %
Other, net	0.4 %	0.6 %	0.8 %
Effective tax rate	3.5 %	13.3 %	11.3 %

The effective tax rates for the years ended December 31, 2013, 2012 and 2011, are different from the federal statutory rates primarily as a result of indefinitely invested earnings of our foreign operations. We do not provide for U.S. income taxes on undistributed earnings of our foreign operations that are intended to be invested indefinitely outside the United States. Substantially all of the benefit from foreign earnings on our effective tax rate results from foreign income associated with the Company's operation conducted in Puerto Rico that is subject to a tax incentive grant that expires in 2020. At December 31, 2013, the cumulative amount of these earnings was approximately $25.5 billion. If these earnings were repatriated to the United States, we would be required to accrue and pay approximately $9.1 billion of additional income taxes based on the current tax rates in effect.

Our total foreign income before income taxes was approximately $3.7 billion, $3.3 billion and $3.0 billion for the years ended December 31, 2013, 2012 and 2011, respectively.

Puerto Rico imposes an excise tax on the gross intercompany purchase price of goods and services from our manufacturer in Puerto Rico. The rate was 4.0% in 2011, 3.75% in 2012, 2.75% in the first half of 2013 and 4.0% effective July 1, 2013 through December 31, 2017. We account for the excise tax as a manufacturing cost that is capitalized in inventory and expensed in cost of sales when the related products are sold. For U.S. income tax purposes, the excise tax results in foreign tax credits that are generally recognized in our provision for income taxes when the excise tax is incurred.

Because the American Taxpayer Relief Act of 2012 was not enacted until 2013, certain provisions of the Act benefiting the Company's 2012 federal taxes, including the retroactive extension of the R&D tax credit for 2012, were not recognized in the Company's 2012 financial results and instead are reflected in the Company's 2013 financial results. The tax benefit of the retroactive extension of the 2012 R&D tax credit that was recognized in 2013 was $70 million.

Income taxes paid during the years ended December 31, 2013, 2012 and 2011, totaled $321 million, $502 million and $595 million, respectively.

One or more of our legal entities file income tax returns in the U.S. federal jurisdiction, various U.S. state jurisdictions and certain foreign jurisdictions. Our income tax returns are routinely audited by the tax authorities in those jurisdictions. Significant disputes may arise with these tax authorities involving issues of the timing and amount of deductions, the use of tax credits and allocations of income among various tax jurisdictions because of differing interpretations of tax laws and regulations. We are no longer subject to U.S. federal income tax examinations for tax years ending on or before December 31, 2009, or to California state income tax examinations for tax years ending on or before December 31, 2005.

5. Earnings per share

The computation of basic earnings per share (EPS) is based on the weighted-average number of our common shares outstanding. The computation of diluted EPS is based on the weighted-average number of our common shares outstanding and dilutive potential common shares, which include principally shares that may be issued under: our stock option, restricted stock and performance unit awards, determined using the treasury stock method; and our convertible notes and warrants while outstanding (collectively “dilutive securities”). For further information regarding our convertible notes and warrants, see Note 14, Financing arrangements.

The computation for basic and diluted EPS was as follows (in millions, except per share data):

	2013	2012	2011
Income (Numerator):			
Net income for basic and diluted EPS	$ 5,081	$ 4,345	$ 3,683
Shares (Denominator):			
Weighted-average shares for basic EPS	753	775	905
Effect of dilutive securities	12	12	7
Weighted-average shares for diluted EPS	765	787	912
Basic EPS	$ 6.75	$ 5.61	$ 4.07
Diluted EPS	$ 6.64	$ 5.52	$ 4.04

For the year ended December 31, 2013, the number of anti-dilutive employee stock-based awards excluded from the computation of diluted EPS was not significant. For the years ended December 31, 2012 and 2011, there were employee stock-based awards, calculated on a weighted-average basis, to acquire 6 million and 33 million shares of our common stock, respectively, that are not included in the computation of diluted EPS because their impact would have been anti-dilutive.

6. Collaborative arrangements

A collaborative arrangement is a contractual arrangement that involves a joint operating activity which involves two or more parties who are both: (i) active participants in the activity; and (ii) exposed to significant risks and rewards dependent on the commercial success of the activity.

From time to time, we enter into collaborative arrangements for the R&D, manufacture and/or commercialization of products and product candidates. These collaborations generally provide for non-refundable upfront license fees, development and commercial performance milestone payments, cost sharing, royalty payments and/or profit sharing. Our collaboration agreements are performed with no guarantee of either technological or commercial success and each is unique in nature. Our significant arrangements are discussed below.

Pfizer Inc.

The co-promotion term of our Enbrel® collaboration agreement with Pfizer in the United States and Canada expired on October 31, 2013. Under the collaboration agreement, Amgen and Pfizer shared in the agreed-upon selling and marketing expenses approved by a joint committee. We paid Pfizer a percentage of annual gross profits on our ENBREL sales in the United States and Canada on a scale that increased with gross profits; however, we maintained a majority share of ENBREL profits. Upon expiration of the co-promotion term, we are required to pay Pfizer residual royalties based on a declining percentage of annual net ENBREL sales in the United States and Canada for three years, ranging from 12% to 10%. The amounts of such payments are anticipated to be significantly less than what would be owed based on the terms of the previous ENBREL profit share. Effective November 1, 2016, there will be no further royalty payments.

We determined that we were and continue to be the principal participant in the collaboration with Pfizer to market ENBREL in the United States and Canada. Accordingly, we recorded our product sales of ENBREL to third parties net of estimated returns, rebates and other deductions. For the years ended December 31, 2013, 2012 and 2011, ENBREL sales aggregated $4.6 billion, $4.2 billion and $3.7 billion, respectively.

During the years ended December 31, 2013, 2012 and 2011, the aggregate net amounts due to Pfizer under this arrangement for the ENBREL profit share expense and royalties on ENBREL sales during the three months ended December 31, 2013, after the expiration of the co-promotion term, net of their share of selling and marketing expense was $1.3 billion, $1.3 billion and $1.1 billion, respectively. The amounts we pay to Pfizer are included in Selling, general and administrative expense in the Consolidated Statements of Income.

Glaxo Group Limited

We are in a collaboration with Glaxo Group Limited (Glaxo), a wholly owned subsidiary of GlaxoSmithKline plc, for the commercialization of denosumab for osteoporosis indications in Europe, Australia, New Zealand and Mexico (the Primary Territories). We have retained the rights to commercialize denosumab for all indications in the United States and Canada and for oncology indications in the Primary Territories. Under a related agreement, Glaxo will commercialize denosumab for all indications in countries, excluding Japan, where we did not have a commercial presence at the commencement of the agreement, including China, Brazil, India, Taiwan and South Korea (the Expansion Territories). In the Expansion Territories, Glaxo is responsible for all development and commercialization costs and will purchase denosumab from us to meet demand. We have the option of expanding our role in the commercialization of denosumab in the Primary Territories and certain of the Expansion Territories. In the Primary Territories, we share equally in the commercialization profits and losses related to the collaboration after accounting for expenses, including an amount payable to us in recognition of our discovery and development of denosumab. Glaxo is also responsible for bearing a portion of the cost of certain specified development activities in the Primary Territories.

The collaboration agreement with Glaxo for the Primary Territories will expire in 2022 and the related agreement for the Expansion Territories will expire in 2024, unless either agreement is terminated earlier in accordance with its terms.

As the principal participant in the Primary Territories, Amgen records related product sales to third parties net of estimated returns, rebates and other deductions. During the years ended December 31, 2013, 2012 and 2011, product sales in the Primary Territories for osteoporosis indications were $219 million, $139 million and $62 million, respectively. In the Expansion Territories, we record product sales to Glaxo. During the years ended December 31, 2013, 2012 and 2011, product sales of denosumab to Glaxo for the Expansion Territories were not material.

During the year ended December 31, 2013, the net cost recoveries due to Glaxo were $16 million. During the years ended December 31, 2012 and 2011 the cost recoveries due from Glaxo were $10 million and $30 million, respectively. Cost recoveries are included in Selling, general and administrative expense in the Consolidated Statements of Income.

AstraZeneca Plc.

We are in a collaboration with AstraZeneca Plc. (AstraZeneca) to jointly develop and commercialize certain monoclonal antibodies from Amgen's clinical inflammation portfolio, including brodalumab, AMG 139, AMG 157, AMG 181 and AMG 557. The agreement covers the worldwide development and commercialization of these antibodies, except for certain Asian countries for brodalumab and Japan for AMG 557, which are licensed to other third parties.

Under the terms of the agreement, approximately 65% of related development costs for the 2012-2014 periods will be funded by AstraZeneca, thereafter, the companies will share costs equally. If approved for sale, Amgen would receive a low-single-digit royalty rate for brodalumab and a mid-single-digit royalty rate for the rest of the portfolio, after which the worldwide commercialization profits and losses related to the collaboration products would be shared equally. In 2012, we received a payment

of $50 million, in connection with the transfer of technology rights, which was recognized in Other revenues in the Consolidated Statement of Income. During the years ended December 31, 2013 and 2012, cost recoveries recognized for development costs were $194 million and $28 million, respectively, which are included in Research and development expense in the Consolidated Statements of Income .

The collaboration agreement will continue in effect unless terminated in accordance with its terms.

Takeda Pharmaceutical Company Limited

In 2008, we entered into an arrangement with Takeda Pharmaceutical Company Limited (Takeda), that provided Takeda both: (i) the exclusive rights to develop and commercialize for the Japanese market up to 12 molecules, including Vectibix®, from our portfolio across a range of therapeutic areas, including oncology and inflammation (collectively the "Japanese market products") and (ii) the right to collaborate with us on the worldwide (outside Japan) development and commercialization of our product candidate, motesanib. In 2011, we announced that the motesanib pivotal phase 3 trial (MONET1) had not met its primary objective of demonstrating an improvement in overall survival in patients with advanced non-squamous non small cell lung cancer.

In June 2012, the parties materially modified this arrangement such that Amgen licensed all of its rights to motesanib to Takeda which now has control over the worldwide development and commercialization of motesanib. In exchange for licensing motesanib to Takeda, we received an additional upfront payment of $3 million and approximately $21 million in additional cost reimbursements. We may also receive substantive success-based regulatory approval milestones and royalties on global sales of motesanib, if approved for sale, that are substantially lower than those under the 2008 arrangement. As of the date of modification, $230 million of the up-front payments we received in 2008 remained in deferred revenue on the Consolidated Balance Sheet. This amount was recognized as Other revenues in 2012 upon modification of the arrangement and subsequent completion of the transfer of rights to motesanib.

During the years ended December 31, 2013, 2012 and 2011, cost recoveries from Takeda were $34 million, $74 million and $83 million, respectively, and are included in Research and development expense in the Consolidated Statements of Income. In addition, for the years December 31, 2013, 2012 and 2011, we recognized royalties on sales of Vectibix® in Japan of $18 million, $21 million and $20 million respectively, in Other revenues in the Consolidated Statements of Income.

UCB

We are in a collaboration with UCB for the development and commercialization of romosozumab. We have the rights to commercialize romosozumab for all indications in the United States, Canada, Mexico and Japan. UCB has the rights for all EU members at the time of first regulatory approval, Australia and New Zealand. Prior to commercialization, countries that have not been initially designated will be designated to Amgen or UCB in accordance with the terms of the agreement.

Generally, development costs are shared equally and we will share equally in the worldwide commercialization profits and losses related to the collaboration after accounting for expenses.

The collaboration agreement will continue in effect unless terminated earlier in accordance with its terms.

During the years ended December 31, 2013, 2012 and 2011, the net costs recovered from UCB were $66 million, $71 million, and $35 million, respectively, which are included in Research and development expense in the Consolidated Statements of Income.

Bayer HealthCare Pharmaceuticals Inc.

As a result of our acquisition of Onyx, we are now party to a collaboration with Bayer to jointly develop and commercialize Nexavar ® worldwide, except in Japan. The rights to develop and market Nexavar ® in Japan are reserved to Bayer. Bayer has no obligation to pay royalties to Amgen for sales of Nexavar ® in Japan.

Nexavar® is currently marketed and sold in more than 100 countries around the world for the treatment of unresectable liver cancer and advanced kidney cancer. In the United States, Nexavar® is also approved for the treatment of patients with locally recurrent or metastatic, progressive, differentiated thyroid carcinoma refractory to radioactive iodine treatment. Under the related agreements, we are currently funding 50% of mutually agreed R&D costs worldwide, excluding Japan. In the United States, we co-promote Nexavar ® with Bayer and share equally in the profits or losses. We contribute half of the overall number of sales force personnel required to market and promote Nexavar ® and half of the medical science liaisons to support Nexavar ® in the United States. In the United States, each party bears its own sales force and medical science liaison expenses which are not included in the calculation of the profits or losses of the collaboration. Outside of the United States, excluding Japan, Bayer manages all commercialization activities and incurs all of the sales and marketing expenditures, and we reimburse Bayer for half of those

expenditures. In all countries outside of the United States, except Japan, we receive 50% of net profits on sales of Nexavar® after deducting certain Bayer-related costs.

The collaboration with Bayer will terminate when patents expire that were issued in connection with product candidates discovered under the agreements, or at the time when neither we nor Bayer are entitled to profit sharing under the agreement, whichever happens last.

Amgen is acting as an agent under the collaboration and as such, revenue is derived by calculating net sales of Nexavar® to third-party customers and deducting the cost of goods sold, distribution costs, marketing costs, phase 4 clinical trial costs, allocable overhead costs and certain other costs. During the fourth quarter of 2013, Amgen recorded a net Nexavar® collaboration profit of $78 million, which was recognized as Other revenues in the Consolidated Statements of Income. In addition, during the fourth quarter of 2013, net R&D expenses related to the collaboration of $13 million were recognized in the Consolidated Statements of Income.

Other

In addition to the collaborations discussed above, we have various others that are not individually significant to our business at this time. Pursuant to the terms of those agreements, we may be required to pay or we may receive additional amounts upon the achievement of various development and commercial milestones which in the aggregate could be significant. We may also incur or have reimbursed to us significant R&D costs if the related product candidate were to advance to late stage clinical trials. In addition, if any products related to these collaborations are approved for sale, we may be required to pay or we may receive significant royalties on future sales. The payment of these amounts, however, is contingent upon the occurrence of various future events, which have a high degree of uncertainty of occurring.

7. Related party transactions

We own a 50% interest in K-A, a corporation formed in 1984 with Kirin Holdings Company, Limited (Kirin) for the development and commercialization of certain products based on advanced biotechnology. All of our rights to manufacture and market certain products including pegfilgrastim, granulocyte colony-stimulating factor, darbepoetin alfa, recombinant human erythropoietin and romiplostim are pursuant to exclusive licenses from K-A, which we currently market under the brand names Neulasta®, NEUPOGEN®, Aranesp®, EPOGEN®, and Nplate®, respectively.

We account for our interest in K-A using the equity method and include our share of K-A's profits or losses in Selling, general and administrative expense in the Consolidated Statements of Income. Our share of K-A's profits and losses was losses of $6 million and $24 million, and profit of $47 million, for the years ended December 31, 2013, 2012 and 2011, respectively. The carrying value of our equity method investment in K-A, net of dividends received, was approximately $0.3 billion and $0.4 billion, as of December 31, 2013 and 2012, respectively, and is included in noncurrent Other assets in the Consolidated Balance Sheets.

K-A's revenues consist of royalty income related to its licensed technology rights. K-A receives royalty income from us, as well as from Kirin and J&J under separate product license contracts for certain geographic areas outside the United States. During the years ended December 31, 2013, 2012 and 2011, K-A earned royalties from us of $272 million, $274 million and $298 million, respectively. These amounts are included in Cost of sales in the Consolidated Statements of Income.

K-A's expenses consist primarily of costs related to R&D activities conducted on its behalf by Amgen and Kirin. K-A pays Amgen and Kirin for such services at negotiated rates. During the years ended December 31, 2013, 2012 and 2011, we earned revenues from K-A of $117 million, $115 million and $130 million, respectively, for certain R&D activities performed on K-A's behalf. These amounts are recognized as Other revenues in the Consolidated Statements of Income. We may also receive several individually immaterial milestones aggregating $85 million upon the achievement of various substantive success-based development and regulatory approval milestones contingent upon the occurrence of various future events, most of which have a high degree of uncertainty of occurring. During the years ended December 31, 2013, 2012 and 2011, we recorded cost recoveries from K-A of $218 million, $142 million and $85 million, respectively, related to certain third-party costs. These amounts are included in Research and development expense in the Consolidated Statements of Income.

As of December 31, 2013 and 2012, K-A owed us $22 million and we owed K-A $31 million, respectively, which are included in Other current assets and Accrued liabilities in the Consolidated Balance Sheets, respectively.

8. Other charges

Manufacturing operations optimization

In order to optimize our network of manufacturing facilities and improve cost effectiveness, we determined that certain manufacturing facilities located in Boulder, Colorado, were no longer needed and accordingly, they were abandoned during the fourth quarter of 2012. This resulted in the write-off of the carrying value of the facility, which aggregated $118 million, during the year ended December 31, 2012. The amount is included in Cost of sales in the Consolidated Statements of Income.

On January 18, 2011, we entered into an agreement whereby Boehringer Ingelheim (BI) agreed to acquire our rights in and substantially all assets at our manufacturing facility located in Fremont, California. The transaction closed in March 2011. In connection with the closing of the transaction, BI assumed our obligations under certain of the facility's operating lease contracts and entered into an agreement to manufacture certain quantities of our marketed product Vectibix® for us at this facility through December 31, 2012 (the supply period).

These assets continued to be carried on our Consolidated Balance Sheets until the accounting requirements to recognize the sale were met, and estimated useful lives of the remaining fixed assets were reduced to coincide with the supply period. During each of the years ended December 31, 2012 and 2011, we recorded incremental depreciation of approximately $42 million in excess of what otherwise would have been recorded. In addition, due to the assignment to BI of the obligations under certain of the facility's operating leases, we recorded charges of approximately $23 million during the year ended December 31, 2011, with respect to the lease period beyond the end of the supply period. These amounts were recorded in Cost of sales in the Consolidated Statements of Income.

Other cost savings initiatives

As part of our efforts to improve cost efficiencies in our operations, we recorded certain charges aggregating approximately $71 million, $175 million and $109 million during the years ended December 31, 2013, 2012 and 2011, respectively, which are included in Other operating expenses in the Consolidated Statements of Income. The expenses are primarily severance-related. The 2012 charges also included expenses associated with abandoning leased facilities.

Legal settlement

During the year ended December 31, 2011, we recorded a loss accrual of $780 million in connection with an agreement in principle to settle allegations relating to our sales and marketing practices arising out of previously disclosed federal civil and criminal investigations in the U.S. Attorney's Offices for the Eastern District of New York and the Western District of Washington. This amount was recorded in Other operating expense in the Consolidated Statement of Income.

9. Available-for-sale investments

The amortized cost, gross unrealized gains, gross unrealized losses and estimated fair values of available-for-sale investments by type of security were as follows (in millions):

Type of security as of December 31, 2013	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
U.S. Treasury securities	$ 4,737	$ 2	$ (9)	$ 4,730
Other government-related debt securities:				
U.S.	1,087	—	(8)	1,079
Foreign and other	1,574	13	(41)	1,546
Corporate debt securities:				
Financial	3,667	28	(19)	3,676
Industrial	3,745	36	(21)	3,760
Other	388	4	(2)	390
Residential mortgage-backed securities	1,478	3	(21)	1,460
Other mortgage- and asset-backed securities	1,555	1	(45)	1,511
Money market mutual funds	3,366	—	—	3,366
Other short-term interest-bearing securities	750	—	—	750
Total interest-bearing securities	22,347	87	(166)	22,268
Equity securities	85	10	—	95
Total available-for-sale investments	$ 22,432	$ 97	$ (166)	$ 22,363

Type of security as of December 31, 2012	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
U.S. Treasury securities	$ 4,443	$ 15	$ —	$ 4,458
Other government-related debt securities:				
U.S.	1,018	12	—	1,030
Foreign and other	1,549	60	(1)	1,608
Corporate debt securities:				
Financial	3,266	96	(1)	3,361
Industrial	4,283	100	(3)	4,380
Other	441	11	—	452
Residential mortgage-backed securities	1,828	9	(8)	1,829
Other mortgage- and asset-backed securities	1,769	7	(9)	1,767
Money market mutual funds	2,620	—	—	2,620
Other short-term interest-bearing securities	2,186	—	—	2,186
Total interest-bearing securities	23,403	310	(22)	23,691
Equity securities	52	2	—	54
Total available-for-sale investments	$ 23,455	$ 312	$ (22)	$ 23,745

The fair values of available-for-sale investments by classification in the Consolidated Balance Sheets were as follows (in millions):

Classification in the Consolidated Balance Sheets	2013	2012
Cash and cash equivalents	$ 3,266	$ 2,887
Marketable securities	15,596	20,804
Other assets — noncurrent	95	54
Restricted investments	3,406	—
Total available-for-sale investments	$ 22,363	$ 23,745

Cash and cash equivalents in the table above excludes cash of $539 million and $370 million as of December 31, 2013 and 2012, respectively. On September 30, 2013, $2,881 million of marketable securities, $526 million of cash and cash equivalents and $4 million of related interest receivable were reclassified to Restricted investments on our Consolidated Balance Sheet, and these funds continue to be held in interest-bearing securities and cash. Restricted investments in the table above excludes interest receivable of $6 million as of December 31, 2013.

The fair values of available-for-sale interest-bearing security investments by contractual maturity, except for mortgage- and asset-backed securities that do not have a single maturity date, were as follows (in millions):

Contractual maturity	2013	2012
Maturing in one year or less	$ 6,799	$ 7,175
Maturing after one year through three years	4,785	5,014
Maturing after three years through five years	6,057	6,286
Maturing after five years through ten years	1,656	1,620
Mortgage- and asset-backed securities	2,971	3,596
Total interest-bearing securities	$ 22,268	$ 23,691

For the years ended December 31, 2013, 2012 and 2011, realized gains totaled $158 million, $186 million and $191 million, respectively, and realized losses totaled $83 million, $54 million and $37 million, respectively. The cost of securities sold is based on the specific identification method. Most of our available-for-sale investments that were in an unrealized loss position, which totaled $166 million as of December 31, 2013, have been in a continuous unrealized loss position for less than 12 months. These investments had an aggregate fair value of $10.0 billion as of December 31, 2013.

The primary objective of our investment portfolio is to enhance overall returns in an efficient manner while maintaining safety of principal, prudent levels of liquidity and acceptable levels of risk. Our investment policy limits interest-bearing security investments to certain types of debt and money market instruments issued by institutions with primarily investment grade credit ratings and places restrictions on maturities and concentration by asset class and issuer.

We review our available-for-sale investments for other-than-temporary declines in fair value below our cost basis each quarter and whenever events or changes in circumstances indicate that the cost basis of an asset may not be recoverable. This evaluation is based on a number of factors including, the length of time and the extent to which the fair value has been below our cost basis and adverse conditions related specifically to the security, including any changes to the credit rating of the security. As of December 31, 2013 and 2012, we believe the cost bases for our available-for-sale investments were recoverable in all material respects.

10. Inventories

Inventories consisted of the following (in millions):

	2013	2012
Raw materials	$ 217	$ 192
Work in process	2,064	1,723
Finished goods	738	829
Total inventories	$ 3,019	$ 2,744

11. Property, plant and equipment

Property, plant and equipment consisted of the following as of December 31, 2013 and 2012 (dollar amounts in millions):

	Useful life (in years)	2013	2012
Land	—	$ 408	$ 412
Buildings and improvements	10-40	3,467	3,510
Manufacturing equipment	8-12	2,024	2,007
Laboratory equipment	8-12	1,165	1,056
Other	3-15	4,107	3,891
Construction in progress	—	1,120	1,071
Property, plant and equipment, gross		12,291	11,947
Less accumulated depreciation and amortization		(6,942)	(6,621)
Property, plant and equipment, net		$ 5,349	$ 5,326

During the years ended December 31, 2013, 2012 and 2011, we recognized depreciation and amortization charges associated with our property, plant and equipment of $644 million, $689 million and $679 million, respectively.

12. Goodwill and other intangible assets

Goodwill

The changes in the carrying amounts of goodwill for the years ended December 31, 2013 and 2012, were as follows (in millions):

	2013	2012
Beginning balance	$ 12,662	$ 11,750
Goodwill resulting from acquisitions of businesses	2,526	928
Currency translation and other adjustments	(220)	(16)
Ending balance	$ 14,968	$ 12,662

Identifiable intangible assets

Identifiable intangible assets consisted of the following as of December 31, 2013 and 2012 (in millions):

	2013			2012		
	Gross carrying amount	Accumulated amortization	Intangible assets, net	Gross carrying amount	Accumulated amortization	Intangible assets, net
Finite-lived intangible assets:						
Developed product technology rights	$ 10,130	$ (3,347)	$ 6,783	$ 4,220	$ (2,942)	$ 1,278
Licensing rights	3,241	(366)	2,875	445	(268)	177
R&D technology rights	1,207	(496)	711	1,130	(411)	719
Marketing-related rights	619	(366)	253	648	(313)	335
Total finite-lived intangible assets	15,197	(4,575)	10,622	6,443	(3,934)	2,509
Indefinite-lived intangible assets:						
IPR&D	2,640	—	2,640	1,459	—	1,459
Total identifiable intangible assets	$ 17,837	$ (4,575)	$ 13,262	$ 7,902	$ (3,934)	$ 3,968

Developed product technology rights consist of rights related to marketed products acquired in business combinations. Licensing rights are composed primarily of intangible assets acquired as part of the acquisition of Onyx and capitalized payments to third parties for milestones related to regulatory approvals to commercialize products and up-front payments associated with royalty obligations for marketed products. R&D technology rights consist of technology used in R&D with alternative future uses. Marketing-related intangible assets are composed primarily of rights related to the sale and distribution of marketed products. For information related to the acquisition of certain of these intangible assets, see Note 2, Business combinations.

IPR&D consists of R&D projects acquired in a business combination which are not complete due to remaining technological risks and/or the lack of receipt of the required regulatory approvals. These projects include Kyprolis ®, a treatment for multiple myeloma being developed for use outside the U.S. (excluding Japan) acquired in the Onyx transaction; velcalcetide, a treatment for secondary hyperparathyroidism in patients with CKD who are on dialysis acquired in the KAI transaction; blinatumomab, a treatment for ALL acquired in the Micromet transaction, and talimogene laherparepvec, a treatment for melanoma acquired in the BioVex transaction (see Note 2, Business combinations).

During the years ended December 31, 2013, 2012 and 2011, we recognized amortization charges associated with our finite-lived intangible assets of $642 million, $397 million and $380 million, respectively. The total estimated amortization for each of the next five years for our intangible assets is $1.2 billion, $1.2 billion, $1.2 billion, $1.1 billion and $902 million in 2014, 2015, 2016, 2017 and 2018, respectively.

13. Accrued liabilities

Accrued liabilities consisted of the following as of December 31, 2013 and 2012 (in millions):

	2013	2012
Sales deductions	$ 1,248	$ 1,129
Employee compensation and benefits	1,003	1,010
Clinical development costs	522	361
Dividends payable	460	355
Sales returns reserve	295	346
Other	1,127	1,590
Total accrued liabilities	$ 4,655	$ 4,791

14. Financing arrangements

The carrying values and the fixed contractual coupon rates of our long-term borrowings were as follows (in millions):

	2013	2012
0.375% convertible notes due 2013 (0.375% 2013 Convertible Notes)	$ —	$ 2,488
1.875% notes due 2014 (1.875% 2014 Notes)	1,000	1,000
4.85% notes due 2014 (4.85% 2014 Notes)	1,000	1,000
2.30% notes due 2016 (2.30% 2016 Notes)	749	749
2.50% notes due 2016 (2.50% 2016 Notes)	999	999
2.125% notes due 2017 (2.125% 2017 Notes)	1,248	1,248
5.85% notes due 2017 (5.85% 2017 Notes)	1,099	1,099
6.15% notes due 2018 (6.15% 2018 Notes)	500	499
Master Repurchase Agreement obligation due 2018	3,100	—
Term Loan due 2018	4,875	—
4.375% euro denominated notes due 2018 (4.375% 2018 euro Notes)	751	723
5.70% notes due 2019 (5.70% 2019 Notes)	999	999
2.125% euro denominated notes due 2019 (2.125% 2019 euro Notes)	925	887
4.50% notes due 2020 (4.50% 2020 Notes)	300	300
3.45% notes due 2020 (3.45% 2020 Notes)	898	897
4.10% notes due 2021 (4.10% 2021 Notes)	998	998
3.875% notes due 2021 (3.875% 2021 Notes)	1,746	1,745
3.625% notes due 2022 (3.625% 2022 Notes)	747	747
5.50% pound sterling denominated notes due 2026 (5.50% 2026 pound sterling Notes)	781	763
4.00% pound sterling denominated notes due 2029 (4.00% 2029 pound sterling Notes)	1,144	1,117
6.375% notes due 2037 (6.375% 2037 Notes)	899	899
6.90% notes due 2038 (6.90% 2038 Notes)	499	499
6.40% notes due 2039 (6.40% 2039 Notes)	996	996
5.75% notes due 2040 (5.75% 2040 Notes)	697	697
4.95% notes due 2041 (4.95% 2041 Notes)	596	595
5.15% notes due 2041 (5.15% 2041 Notes)	2,233	2,232
5.65% notes due 2042 (5.65% 2042 Notes)	1,244	1,244
5.375% notes due 2043 (5.375% 2043 Notes)	1,000	1,000
Other notes	105	109
Total debt	32,128	26,529
Less current portion	(2,505)	(2,495)
Total noncurrent debt	$ 29,623	$ 24,034

Debt repayments

During the year ended December 31, 2013, our 0.375% 2013 Convertible Notes matured/converted, and the $2.5 billion principal amount was settled in cash. We also repaid $742 million of convertible debt assumed in the acquisition of Onyx, $125 million of principal on our Term Loan Credit Facility and $4 million of Other notes. During the year ended December 31, 2012, we repaid $123 million of Other notes. In February 2011, our 0.125% 2011 Convertible Notes became due, and we repaid the $2.5 billion aggregate principal amount.

Debt issuances

We issued debt and debt securities in various offerings during the three years ended December 31, 2013, including:

- In 2013, we issued $8.1 billion of debt in connection with the acquisition of Onyx, comprised of obligations under a Master Repurchase Agreement and a Term Loan.

- In 2012, we issued $5.0 billion aggregate principal amount of notes, comprised of the 2.125% 2017 Notes, the 2.125% 2019 euro Notes (€675 million aggregate principal amount), the 3.625% 2022 Notes, the 4.00% 2029 pound sterling Notes (£700 million aggregate principal amount) and the 5.375% 2043 Notes.
- In 2011, we issued $10.5 billion aggregate principal amount of notes, comprised of the 1.875% 2014 Notes, the 2.30% 2016 Notes, the 2.50% 2016 Notes, the 4.375% 2018 euro Notes (€550 million aggregate principal amount), the 4.10% 2021 Notes, the 3.875% 2021 Notes, the 5.50% 2026 pound sterling Notes (£475 million aggregate principal amount), the 5.15% 2041 Notes and the 5.65% 2042 Notes.

Debt issuance costs incurred in connection with these debt issuances in 2013, 2012 and 2011 totaled $46 million, $25 million and $55 million, respectively. These debt issuance costs are being amortized over the respective lives of the debt, and the related charge is included in Interest expense, net, in the Consolidated Statements of Income.

All of our notes other than our Other notes may be redeemed at any time at our option, in whole or in part, at the principal amount of the notes being redeemed plus accrued interest and a make-whole amount, as defined. In addition, except with respect to our 4.85% 2014 Notes and Other notes, in the event of a change-in-control triggering event, as defined, we may be required to purchase for cash all or a portion of these notes at a price equal to 101% of the principal amount of the notes plus accrued interest.

Master Repurchase Agreement

We entered into a Master Repurchase Agreement (Repurchase Agreement) pursuant to which Amgen sold 34,097 Class A preferred shares of one of its wholly-owned subsidiaries, ATL Holdings, on September 30, 2013. The Class A preferred shares have a liquidation preference of $100,000 per share. Pursuant to the Repurchase Agreement, we are obligated to repurchase the Class A preferred shares from the counterparties for the aggregate sale price of $3.1 billion, plus any accrued and unpaid payment obligations described below, on September 28, 2018. The $3.1 billion obligation to repurchase the preferred shares is accounted for as long-term debt on our Consolidated Balance Sheet.

Under the Repurchase Agreement, we are obligated to make payments to the counterparties based on the sale price of the outstanding preferred shares at a floating interest rate based on the London Interbank Offered Rate (LIBOR) plus 1.1%. The Repurchase Agreement contains customary events of default, and we have the right to repurchase all or a portion of the Class A preferred shares at any time prior to the required repurchase date .

Term Loan

On October 1, 2013, we borrowed $5.0 billion under a Term Loan Credit Facility which bears interest at a floating rate based on LIBOR plus additional interest, initially 1%, which can vary based on the credit ratings assigned to our long-term debt by Standard & Poor's Financial Services LLC (S&P) and Moody's Investor Service, Inc. (Moody's). A portion of the principal amount of this debt is to be repaid at the end of each quarter equal to $125 million, with the balance due on October 1, 2018. The outstanding balance of this loan may be prepaid in whole or in part at any time without penalty. This credit facility includes the same financial covenant as our revolving credit facility with respect to our level of borrowings in relation to our equity, as defined.

Convertible Notes

In 2006, we issued $2.5 billion principal amount of 0.375% 2013 Convertible Notes at par. The conversion value was payable in: (i) cash equal to the lesser of the principal amount of the note or the conversion value, as defined, and (ii) cash, shares of our common stock, or a combination of cash and shares of our common stock, at our option, to the extent the conversion value exceeded the principal amount of the note (the excess conversion value). In February 2013, our 0.375% 2013 Convertible Notes matured/converted, and accordingly, the $2.5 billion principal amount was settled in cash. We also elected to pay the note holders who converted their notes $99 million of cash for the excess conversion value, as allowed by the original terms of the notes.

Concurrent with the issuance of the 0.375% 2013 Convertible Notes in February 2006, we purchased a convertible note hedge. The convertible note hedge allowed us to receive shares of our common stock and/or cash from the counterparty to the transaction equal to the amounts of common stock and/or cash related to the excess conversion value that we would issue and/or pay to the holders of the 0.375% 2013 Convertible Notes upon conversion. As a result of the conversion of the 0.375% 2013 Convertible Notes, we received $99 million of cash from the counterparty to offset the corresponding amount paid to the note holders.

On May 1, 2013, warrants to acquire 32 million shares of our common stock at an exercise price of $104.80 originally sold in connection with the issuance of the 0.375% 2013 Convertible Notes were exercised resulting in a net cash payment of $100 million.

Because the convertible note hedges and warrants could have been settled at our option in cash or shares of our common stock, and these contracts met all of the applicable criteria for equity classification under the applicable accounting standards, the

cost of the convertible note hedges, the net proceeds from the sale of the warrants and the settlement of these contracts were classified in Stockholders' equity in the Consolidated Balance Sheets. In addition, because both of these contracts are classified in Stockholders' equity and were indexed to our common stock, they were not accounted for as derivatives.

Because these convertible notes were cash settleable, their debt and equity components were bifurcated and accounted for separately. The discounted carrying value of the debt component resulting from the bifurcation was accreted back to the principal amount over the period the notes were outstanding, resulting in the recognition of non-cash interest expense. The total aggregate amount repaid, including the amount related to the debt discount, is included in Cash flows from financing activities in the Consolidated Statement of Cash Flows. After giving effect to this bifurcation, the effective interest rate on the 0.375% 2013 Convertible Notes was 6.35%. For the years ended December 31, 2013, 2012 and 2011, total interest expenses for the 0.375% 2013 Convertibles Notes were $13 million, $151 million and $143 million, respectively, including non-cash interest expenses of $12 million, $142 million and $133 million, respectively. The carrying amount of the equity component of this debt was $829 million as of December 31, 2013 and 2012.

Other notes

Other notes include our notes due in 2097 with carrying value of $100 million and debt assumed in the acquisition of MN with a carrying value of $5 million and $9 million at December 31, 2013 and 2012, respectively.

Interest rate swaps

To achieve a desired mix of fixed and floating interest rate debt, we entered into interest rate swap contracts that effectively converted a fixed-rate interest coupon for certain of our debt issuances to a floating LIBOR-based coupon over the life of the respective note. These interest rate swap contracts qualified and were designated as fair value hedges. During the year ended December 31, 2013, we entered into interest rate swap contracts with respect to certain of our outstanding notes. The effective interest rates on these notes after giving effect to the related interest rate swap contracts and the notional amounts of the contracts were as follows as of December 31, 2013 (dollar amounts in millions):

	Effective interest rate	Notional amount
3.45% 2020 Notes	LIBOR + 1.1%	$ 900
4.10% 2021 Notes	LIBOR + 1.7%	1,000
3.875% 2021 Notes	LIBOR + 2.0%	1,750
3.625% 2022 Notes	LIBOR + 1.6%	750
		$ 4,400

We previously had interest rate swap contracts with an aggregate notional amount of $3.6 billion outstanding with rates that ranged from LIBOR plus 0.3% to LIBOR plus 2.6%. Due to historically low interest rates, we terminated all of these swap contracts in May 2012. See Note 17, Derivative instruments.

Cross-currency swaps

In order to hedge our exposure to foreign currency exchange rate risk associated with certain of our long-term notes denominated in foreign currencies, we entered into cross-currency swap contracts. The terms of these contracts effectively convert the interest payments and principal repayment on our 2.125% 2019 euro Notes, 5.50% 2026 pound sterling Notes and 4.00% 2029 pound sterling Notes from euros/pounds sterling to U.S. dollars. These cross-currency swap contracts have been designated as cash flow hedges. For information regarding the terms of these contracts, see Note 17, Derivative instruments.

Shelf registration statements and other facilities

As of December 31, 2013, we have a commercial paper program that allows us to issue up to $2.5 billion of unsecured commercial paper to fund our working capital needs. At December 31, 2013 and 2012, we had no amounts outstanding under our commercial paper program.

In December 2011, we entered into a $2.5 billion syndicated, unsecured, revolving credit agreement which is available for general corporate purposes or as a liquidity backstop to our commercial paper program. The commitments under the revolving credit agreement may be increased by up to $500 million with the agreement of the banks. Each bank which is a party to the agreement has an initial commitment term of five years. This term may be extended for up to two additional one-year periods with the agreement of the banks. Annual commitment fees for this agreement are 0.1% based on our current credit rating. Generally, we would be charged interest at LIBOR plus 0.9% for any amounts borrowed under this facility. As of December 31, 2013 and 2012, no amounts were outstanding under this facility.

In March 2011, we filed a shelf registration statement with the SEC to replace an existing shelf registration statement that was scheduled to expire in April 2011. This shelf registration statement allows us to issue unspecified amounts of debt securities; common stock; preferred stock; warrants to purchase debt securities, common stock, preferred stock or depository shares; rights to purchase common stock or preferred stock; securities purchase contracts; securities purchase units; and depository shares. Under this shelf registration statement, all of the securities available for issuance may be offered from time to time with terms to be determined at the time of issuance. This shelf registration statement expires in March 2014 and is expected to be renewed before its expiration date.

In 1997, we established a $400 million medium-term note program under which medium-term debt securities may be offered from time to time with terms to be determined at the time of issuance. As of December 31, 2013 and 2012, no securities were outstanding under this medium-term note program.

Certain of our financing arrangements contain non-financial covenants. In addition, our revolving credit agreement and Term Loan Credit Agreement each include a financial covenant with respect to the level of our borrowings in relation to our equity, as defined. We were in compliance with all applicable covenants under these arrangements as of December 31, 2013.

Contractual maturities of long-term debt obligations

The aggregate contractual maturities of all long-term debt obligations due subsequent to December 31, 2013, are as follows (in millions):

Maturity date	Amount
2014	$ 2,505
2015	500
2016	2,250
2017	2,850
2018	7,228
Thereafter	16,873
Total	$ 32,206

Interest costs

Interest costs are expensed as incurred, except to the extent such interest is related to construction in progress, in which case interest is capitalized. Interest expense, net, for the years ended December 31, 2013, 2012 and 2011, was $1.0 billion, $1.1 billion and $610 million, respectively. Interest costs capitalized for the years ended December 31, 2013, 2012 and 2011, were $18 million, $26 million and $22 million, respectively. Interest paid, net of interest rate swaps, during the years ended December 31, 2013, 2012 and 2011, totaled $930 million, $406 million and $446 million, respectively. Interest paid in 2012 is net of the $397 million received upon settlement of the interest rate swaps. See Note 17, Derivative instruments.

15. Stockholders' equity

Stock repurchase program

Activity under our stock repurchase program was as follows (in millions):

	2013		2012		2011	
	Shares	Dollars	Shares	Dollars	Shares	Dollars
First quarter	9.1	$ 771	21.0	$ 1,429	—	$ —
Second quarter	—	—	17.4	1,203	12.9	732
Third quarter	—	—	9.7	797	45.4	2,421
Fourth quarter	—	—	14.2	1,233	86.0	5,154 [1]
Total stock repurchases	9.1	$ 771	62.3	$ 4,662	144.3	$ 8,307

[1] Includes the repurchase of 83.3 million shares of our common stock at an average price paid per share of $60.08, including related expenses, for an aggregate cost of $5.0 billion, under a modified Dutch auction tender offer.

As of December 31, 2013, $1.6 billion remained available under our Board of Directors-approved stock repurchase program.

Dividends

On July 28 and October 13, 2011, the Board of Directors declared quarterly cash dividends of $0.28 per share of common stock, which were paid on September 8 and December 8, 2011, respectively. On December 15, 2011, and March 15, July 19 and October 10, 2012, the Board of Directors declared quarterly cash dividends of $0.36 per share of common stock, which were paid on March 7, June 7, September 7 and December 7, 2012, respectively. On December 13, 2012, March 6, July 26, and October 16, 2013, the Board of Directors declared quarterly cash dividends of $0.47 per share of common stock, which were paid on March 7, June 7, September 6, and December 6, 2013, respectively. Additionally, on December 13, 2013, the Board of Directors declared a quarterly cash dividend of $0.61 per share of common stock, which will be paid on March 7, 2014 to all stockholders of record as of the close of business on February 13, 2014.

Accumulated other comprehensive income

The components of AOCI were as follows (in millions):

	Foreign currency translation	Cash flow hedges	Available-for-sale securities	Other	AOCI
Balance as of December 31, 2010	$ 22	$ 3	$ 135	$ (7)	$ 153
Foreign currency translation adjustments	(6)	—	—	—	(6)
Unrealized gains (losses)	—	(51)	125	2	76
Reclassification adjustments to income	—	112	(154)	—	(42)
Other	—	—	—	(8)	(8)
Income taxes	5	(21)	14	—	(2)
Balance as of December 31, 2011	21	43	120	(13)	171
Foreign currency translation adjustments	(13)	—	—	—	(13)
Unrealized gains (losses)	—	15	233	(1)	247
Reclassification adjustments to income	—	(134)	(132)	—	(266)
Income taxes	4	41	(38)	—	7
Balance as of December 31, 2012	12	(35)	183	(14)	146
Foreign currency translation adjustments	(71)	—	—	—	(71)
Unrealized gains (losses)	—	88	(284)	(1)	(197)
Reclassification adjustments to income	—	(85)	(75)	—	(160)
Other	—	—	—	(2)	(2)
Income taxes	(9)	(1)	133	—	123
Balance as of December 31, 2013	$ (68)	$ (33)	$ (43)	$ (17)	$ (161)

Income tax expenses/benefits for unrealized gains and losses and the related reclassification adjustments to income for cash flow hedges were a $34 million expense and $33 million benefit in 2013, an $8 million expense and $49 million benefit in 2012 and a $20 million benefit and $41 million expense in 2011, respectively. Income tax expenses/benefits for unrealized gains and losses and the related reclassification adjustments to income for available-for-sale securities were a $105 million benefit and $28 million benefit for 2013, an $87 million expense and $49 million benefit in 2012 and a $45 million expense and $59 million benefit in 2011, respectively.

The reclassifications out of AOCI to Net income were as follows (in millions):

	Amounts reclassified out of AOCI	
Components of AOCI	**Year Ended December 31, 2013**	**Line item affected in the Statements of Income**
Cash flow hedges:		
Foreign currency contract gains	$ 4	Product sales
Cross-currency swap contract gains	82	Interest and other income, net
Forward interest rate contract losses	(1)	Interest expense, net
	85	Total before income tax
	(33)	Tax (expense)
	52	Net of taxes
Available-for-sale securities:		
Net realized gains (losses)	$ 75	Interest and other income, net
	(28)	Tax (expense)
	47	Net of taxes

Other

In addition to common stock, our authorized capital includes 5 million shares of preferred stock, $0.0001 par value. As of December 31, 2013 and 2012, no shares of preferred stock were issued or outstanding.

16. Fair value measurement

To estimate the fair value of our financial assets and liabilities we use valuation approaches within a hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. The fair value hierarchy is divided into three levels based on the source of inputs as follows:

Level 1	— Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access
Level 2	— Valuations for which all significant inputs are observable, either directly or indirectly, other than level 1 inputs
Level 3	— Valuations based on inputs that are unobservable and significant to the overall fair value measurement

The availability of observable inputs can vary among the various types of financial assets and liabilities. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used for measuring fair value may fall into different levels of the fair value hierarchy. In such cases, for financial statement disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is categorized is based on the lowest level of input used that is significant to the overall fair value measurement.

The fair value of each major class of the Company's financial assets and liabilities measured at fair value on a recurring basis was as follows (in millions):

Fair value measurement as of December 31, 2013, using:	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets:				
Available-for-sale investments:				
U.S. Treasury securities	$ 4,730	$ —	$ —	$ 4,730
Other government-related debt securities:				
U.S.	—	1,079	—	1,079
Foreign and other	—	1,546	—	1,546
Corporate debt securities:				
Financial	—	3,676	—	3,676
Industrial	—	3,760	—	3,760
Other	—	390	—	390
Residential mortgage-backed securities	—	1,460	—	1,460
Other mortgage- and asset-backed securities	—	1,511	—	1,511
Money market mutual funds	3,366	—	—	3,366
Other short-term interest bearing securities	—	750	—	750
Equity securities	95	—	—	95
Derivatives:				
Foreign currency contracts	—	53	—	53
Cross-currency swap contracts	—	193	—	193
Total assets	$ 8,191	$ 14,418	$ —	$ 22,609
Liabilities:				
Derivatives:				
Foreign currency contracts	$ —	$ 107	$ —	$ 107
Cross-currency swap contracts	—	4	—	4
Interest rate swap contracts	—	161	—	161
Contingent consideration obligations in connection with business combinations	—	—	595	595
Total liabilities	$ —	$ 272	$ 595	$ 867

Fair value measurement as of December 31, 2012, using:	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets:				
Available-for-sale investments:				
U.S. Treasury securities	$ 4,458	$ —	$ —	$ 4,458
Other government-related debt securities:				
U.S.	—	1,030	—	1,030
Foreign and other	—	1,608	—	1,608
Corporate debt securities:				
Financial	—	3,361	—	3,361
Industrial	—	4,380	—	4,380
Other	—	452	—	452
Residential mortgage-backed securities	—	1,829	—	1,829
Other mortgage- and asset-backed securities	—	1,767	—	1,767
Money market mutual funds	2,620	—	—	2,620
Other short-term interest-bearing securities	—	2,186	—	2,186
Equity securities	54	—	—	54
Derivatives:				
Foreign currency contracts	—	46	—	46
Cross-currency swap contracts	—	65	—	65
Total assets	$ 7,132	$ 16,724	$ —	$ 23,856
Liabilities:				
Derivatives:				
Foreign currency contracts	$ —	$ 59	$ —	$ 59
Cross-currency swap contracts	—	6	—	6
Contingent consideration obligations in connection with a business combination	—	—	221	221
Total liabilities	$ —	$ 65	$ 221	$ 286

The fair values of our U.S. Treasury securities, money market mutual funds and equity securities are based on quoted market prices in active markets with no valuation adjustment.

Most of our other government-related and corporate debt securities are investment grade with maturity dates of five years or less from the balance sheet date. Our other government-related debt securities portfolio is composed of securities with weighted-average credit ratings of A+ by S&P, Moody's or Fitch, Inc. (Fitch); and our corporate debt securities portfolio has a weighted-average credit rating of A- or equivalent by S&P or Fitch and BBB+ by Moody's. We estimate the fair values of these securities by taking into consideration valuations obtained from third-party pricing services. The pricing services utilize industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities; issuer credit spreads; benchmark securities; and other observable inputs.

Our residential mortgage-, other mortgage- and asset-backed securities portfolio is composed entirely of senior tranches, with credit ratings of AAA by S&P, Moody's or Fitch. We estimate the fair values of these securities by taking into consideration valuations obtained from third-party pricing services. The pricing services utilize industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities; issuer credit spreads; benchmark securities; prepayment/default projections based on historical data; and other observable inputs.

We value our other short-term interest-bearing securities at amortized cost, which approximates fair value given their near term maturity dates.

All of our foreign currency forward and option derivatives contracts have maturities of three years or less and all are with counterparties that have minimum credit ratings of A- or equivalent by S&P, Moody's or Fitch. We estimated the fair values of these contracts by taking into consideration valuations obtained from a third-party valuation service that utilizes an income-based industry standard valuation model for which all significant inputs are observable, either directly or indirectly. These inputs include foreign currency rates, LIBOR cash and swap rates and obligor credit default swap rates. In addition, inputs for our foreign currency option contracts also include implied volatility measures. These inputs, where applicable, are at commonly quoted intervals. See Note 17, Derivative instruments.

Our cross-currency swap contracts are with counterparties that have minimum credit ratings of A- or equivalent by S&P, Moody's or Fitch. We estimated the fair values of these contracts by taking into consideration valuations obtained from a third-party valuation service that utilizes an income-based industry standard valuation model for which all significant inputs are observable either directly or indirectly. These inputs include foreign currency exchange rates, LIBOR, swap rates, obligor credit default swap rates and cross-currency basis swap spreads. See Note 17, Derivative instruments.

Our interest rate swap contracts are with counterparties that have minimum credit ratings of A- or equivalent by S&P, Moody's or Fitch. We estimated the fair values of these contracts by using an income-based industry standard valuation model for which all significant inputs were observable either directly or indirectly. These inputs included LIBOR, swap rates and obligor credit default swap rates.

Contingent consideration obligations

We have incurred contingent consideration obligations as the result of our acquisition of a business and upon the assumption of contingent consideration obligations incurred by an acquired company discussed below. These contingent consideration obligations are recorded at their estimated fair values, and we revalue these obligations each reporting period until the related contingencies are resolved. Changes in fair values of contingent consideration obligations are recognized in Other operating expenses in the Consolidated Statements of Income.

The changes in carrying amounts of contingent consideration obligations for the years ended December 31, 2013 and 2012, were as follows (in millions):

	2013	2012
Beginning balance	$ 221	$ 190
Additions from Onyx acquisition	261	—
Net changes in valuation	113	31
Ending balance	$ 595	$ 221

As a result of our acquisition of BioVex in March 2011, we are obligated to pay its former shareholders up to $575 million of additional consideration contingent upon achieving up to eight separate regulatory and sales-related milestones with regard to talimogene laherparepvec, which was acquired in the acquisition and is currently in phase 3 clinical development for the treatment of melanoma. The three largest of these potential payments are $125 million each, including the amount due if a BLA is filed with the FDA. Potential payments are also due upon the first commercial sale in each of the United States and the EU following receipt of marketing approval which includes use of the product in specified patient populations and upon achievement of specified levels of sales within specified periods of time. The fair value measurements of these obligations are based on significant unobservable inputs, including the estimated probabilities and timing of achieving the related regulatory and commercial events in connection with these milestones and, as applicable, estimated annual sales. Significant changes which increase or decrease the probabilities of achieving the related regulatory and commercial events, shorten or lengthen the time required to achieve such events, or increase of decrease estimated annual sales would result in corresponding increases or decreases in the fair values of these obligations, as applicable.

We estimate the fair values of the obligations to the former shareholders of BioVex by using a combination of probability-adjusted discounted cash flows, option pricing techniques and a simulation model of expected annual sales. Quarterly, management in our R&D and commercial sales organizations review key assumptions used in the fair value measurements of these obligations. In the absence of any significant changes in key assumptions, the changes in fair values of these contingent consideration obligations reflect the passage of time and changes in our credit risk adjusted rate used to discount obligations to present value. During the year ended December 31, 2013, there were increases in management's estimates of the probabilities of completing the BLA filing and receiving approval to market talimogene laherparepvec in specified patient populations in the United States and EU. Due

primarily to these changes in key assumptions, the estimated aggregate fair value of the contingent consideration obligations increased by $113 million and $31 million in the years ended December 31, 2013 and 2012, respectively.

We assumed contingent consideration obligations of $261 million upon the acquisition of Onyx arising from Onyx's 2009 acquisition of Proteolix, Inc. See Note 2, Business combinations. As of December 31, 2013, there are two separate milestone payments of $150 million each which would be triggered if Kyprolis® receives specified marketing approvals for relapsed multiple myeloma on or before March 31, 2016, by each of the FDA and the EMA. The fair value measurements of these obligations are based on significant unobservable inputs, including the estimated probabilities and timing of achieving the related regulatory approvals. Significant changes which increase or decrease the probabilities of receiving regulatory approvals or shorten or lengthen the time required to achieve such approvals would result in corresponding increases or decreases in the fair values of these obligations. We estimate the fair values of contingent obligations to the former shareholders of Proteolix, Inc. by using probability-adjusted discounted cash flows. There was no significant change in the fair value of these contingent consideration obligations from the date of our acquisition of Onyx to December 31, 2013.

There have been no transfers of assets or liabilities between the fair value measurement levels, and there were no material remeasurements to fair value during the years ended December 31, 2013 and 2012, of assets and liabilities that are not measured at fair value on a recurring basis, except as discussed in Note 2, Business combinations, regarding the impairment of an intangible asset and Note 8, Other charges, regarding an impairment of fixed assets which were recognized during the year ended December 31, 2012.

Summary of the fair value of other financial instruments

Cash equivalents

The estimated fair values of cash equivalents approximate their carrying values due to the short-term nature of these financial instruments.

Borrowings

We estimated the fair value of our long-term debt (Level 2) by taking into consideration indicative prices obtained from a third-party financial institution that utilizes industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable either directly or indirectly. These inputs include reported trades of and broker/dealer quotes on the same or similar securities; credit spreads; benchmark yields; foreign currency exchange rates, as applicable; and other observable inputs. As of December 31, 2013 and 2012, the aggregate fair values of our long-term debt were $33.5 billion and $29.9 billion, respectively, and the carrying values were $32.1 billion and $26.5 billion, respectively.

17. Derivative instruments

The Company is exposed to foreign currency exchange rate and interest rate risks related to its business operations. To reduce our risks related to these exposures, we utilize or have utilized certain derivative instruments, including foreign currency forward, foreign currency option, cross-currency swap, forward interest rate and interest rate swap contracts. We do not use derivatives for speculative trading purposes.

Cash flow hedges

We are exposed to possible changes in the values of certain anticipated foreign currency cash flows resulting from changes in foreign currency exchange rates, associated primarily with our euro-denominated international product sales. Increases and decreases in the cash flows associated with our international product sales due to movements in foreign currency exchange rates are offset partially by the corresponding increases and decreases in our international operating expenses resulting from these foreign currency exchange rate movements. To further reduce our exposure to foreign currency exchange rate fluctuations on our international product sales, we enter into foreign currency forward and option contracts to hedge a portion of our projected international product sales primarily over a three-year time horizon, with, at any given point in time, a higher percentage of nearer-term projected product sales being hedged than in successive periods. As of December 31, 2013, 2012 and 2011, we had open foreign currency forward contracts with notional amounts of $4.0 billion, $3.7 billion and $3.5 billion, respectively, and open foreign currency option contracts with notional amounts of $516 million, $200 million and $292 million, respectively. These foreign currency forward and option contracts, primarily euro based, have been designated as cash flow hedges, and accordingly, the effective portions of the unrealized gains and losses on these contracts are reported in AOCI and reclassified to earnings in the same periods during which the hedged transactions affect earnings.

To hedge our exposure to foreign currency exchange rate risk associated with certain of our long-term notes denominated in foreign currencies, we entered into cross-currency swap contracts. Under the terms of these contracts, we paid euros/pounds sterling and received U.S. dollars for the notional amounts at the inception of the contracts, and we exchange interest payments based on these notional amounts at fixed rates over the lives of the contracts in which we pay U.S. dollars and receive euros/pounds sterling. In addition, we will pay U.S. dollars to and receive euros/pounds sterling from the counterparties at the maturities of the contracts for these same notional amounts. The terms of these contracts correspond to the related hedged notes, effectively converting the interest payments and principal repayment on these notes from euros/pounds sterling to U.S. dollars. These cross-currency swap contracts have been designated as cash flow hedges, and accordingly, the effective portions of the unrealized gains and losses on these contracts are reported in AOCI and reclassified to earnings in the same periods during which the hedged debt affects earnings. The notional amounts and interest rates of our cross-currency swaps are as follows (notional amounts in millions):

	Foreign currency			U.S. dollars	
Hedged notes	**Notional Amount**		**Interest rate**	**Notional Amount**	**Interest rate**
2.125% 2019 euro Notes	€	675	2.125%	$ 864	2.6%
5.50% 2026 pound sterling Notes	£	475	5.50%	$ 748	5.8%
4.00% 2029 pound sterling Notes	£	700	4.00%	$ 1,122	4.3%

In connection with the anticipated issuance of long-term fixed-rate debt, we occasionally enter into forward interest rate contracts in order to hedge the variability in cash flows due to changes in the applicable Treasury rate between the time we enter into these contracts and the time the related debt is issued. Gains and losses on such contracts, which are designated as cash flow hedges, are reported in AOCI and amortized into earnings over the lives of the associated debt issuances.

The effective portion of the unrealized gain/(loss) recognized in other comprehensive income for our derivative instruments designated as cash flow hedges was as follows (in millions):

	Years ended December 31,		
Derivatives in cash flow hedging relationships	**2013**	**2012**	**2011**
Foreign currency contracts	$ (44)	$ (63)	$ (25)
Cross-currency swap contracts	132	85	(26)
Forward interest rate contracts	—	(7)	—
Total	$ 88	$ 15	$ (51)

The location in the Consolidated Statements of Income and the effective portion of the gain/(loss) reclassified out of AOCI into earnings for our derivative instruments designated as cash flow hedges were as follows (in millions):

		Years ended December 31,		
Derivatives in cash flow hedging relationships	**Statements of Income location**	**2013**	**2012**	**2011**
Foreign currency contracts	Product sales	$ 4	$ 74	$ (108)
Cross-currency swap contracts	Interest and other income, net	82	61	(3)
Forward interest rate contracts	Interest expense, net	(1)	(1)	(1)
Total		$ 85	$ 134	$ (112)

No portions of our cash flow hedge contracts are excluded from the assessment of hedge effectiveness, and the gains and losses of the ineffective portions of these hedging instruments were not material for the years ended December 31, 2013, 2012 and 2011. As of December 31, 2013, the amounts expected to be reclassified out of AOCI into earnings over the next 12 months are approximately $51 million of net losses on our foreign currency and cross-currency swap contracts and approximately $1 million of losses on forward interest rate contracts.

Fair value hedges

To achieve a desired mix of fixed and floating interest rates on our long-term debt, we enter into interest rate swap contracts, which qualified and are designated as fair value hedges. The terms of these interest rate swap contracts correspond to the related hedged debt instruments and effectively converted a fixed interest rate coupon to a floating LIBOR-based coupon over the lives

of the respective notes. During the year ended December 31, 2013, we entered into interest rate swap contracts with an aggregate notional amount of $4.4 billion with respect to our 3.45% 2020 Notes, 4.10% 2021 Notes, 3.875% 2021 Notes and 3.625% 2022 Notes. The contracts have rates that range from three-month LIBOR plus 1.1% to three-month LIBOR plus 2.0%. In addition, we previously had interest rate swap contracts outstanding with an aggregate notional amount of $3.6 billion with respect to our 4.85% 2014 Notes, 5.85% 2017 Notes, 6.15% 2018 Notes and 5.70% 2019 Notes with rates that ranged from LIBOR 0.3% to LIBOR plus 2.6%. Due to historically low interest rates, in May 2012 we terminated all of these contracts resulting in the receipt of $397 million from the counterparties, which was included in Net cash provided by operating activities in the Consolidated Statements of Cash Flows. This amount is being recognized in Interest expense, net in the Consolidated Statements of Income over the remaining lives of the related debt issuances.

For derivative instruments that are designated and qualify as fair value hedges, the unrealized gain or loss on the derivative resulting from the change in fair value during the period as well as the offsetting unrealized loss or gain of the hedged item resulting from the change in fair value during the period attributable to the hedged risk is recognized in current earnings. During the year ended December 31, 2013, we included the unrealized gains on the hedged debt of $161 million in the same line item, Interest expense, net, in the Consolidated Statement of Income, as the offsetting unrealized losses of $161 million on the related interest rate swap agreements. During the years ended December 31, 2012 and 2011, we included the unrealized losses on the hedged debt of $20 million and $182 million, respectively, in the same line item, Interest expense, net, in the Consolidated Statements of Income, as the offsetting unrealized gains of $20 million and $182 million, respectively, on the related interest rate swap agreements.

Derivatives not designated as hedges

We enter into foreign currency forward contracts that are not designated as hedging transactions to reduce our exposure to foreign currency fluctuations of certain assets and liabilities denominated in foreign currencies. These exposures are hedged on a month-to-month basis. As of December 31, 2013, 2012 and 2011, the total notional amounts of these foreign currency forward contracts were $999 million, $629 million and $389 million, respectively.

The location in the Consolidated Statements of Income and the amount of gain/(loss) recognized in earnings for our derivative instruments not designated as hedging instruments were as follows (in millions):

		Years ended December 31,		
Derivatives not designated as hedging instruments	**Statements of Income location**	**2013**	**2012**	**2011**
Foreign currency contracts	Interest and other income, net	$ 15	$ 19	$ (1)

The fair values of derivatives included in the Consolidated Balance Sheets were as follows (in millions):

	Derivative assets		Derivative liabilities	
December 31, 2013	**Balance Sheet location**	**Fair value**	**Balance Sheet location**	**Fair value**
Derivatives designated as hedging instruments:				
Cross-currency swap contracts	Other current assets/ Other noncurrent assets	$ 193	Accrued liabilities/ Other noncurrent liabilities	$ 4
Foreign currency contracts	Other current assets/ Other noncurrent assets	53	Accrued liabilities/ Other noncurrent liabilities	104
Interest rate swap contracts	Other current assets/ Other noncurrent assets	—	Accrued liabilities/ Other noncurrent liabilities	161
Total derivatives designated as hedging instruments		246		269
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Other current assets	—	Accrued liabilities	3
Total derivatives not designated as hedging instruments		—		3
Total derivatives		$ 246		$ 272

	Derivative assets		Derivative liabilities	
December 31, 2012	**Balance Sheet location**	**Fair value**	**Balance Sheet location**	**Fair value**
Derivatives designated as hedging instruments:				
Cross-currency swap contracts	Other current assets/ Other noncurrent assets	65	Accrued liabilities/ Other noncurrent liabilities	6
Foreign currency contracts	Other current assets/ Other noncurrent assets	45	Accrued liabilities/ Other noncurrent liabilities	58
Total derivatives designated as hedging instruments		110		64
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Other current assets	1	Accrued liabilities	1
Total derivatives not designated as hedging instruments		1		1
Total derivatives		$ 111		$ 65

Our derivative contracts that were in liability positions as of December 31, 2013, contain certain credit-risk-related contingent provisions that would be triggered if: (i) we were to undergo a change in control and (ii) our or the surviving entity's creditworthiness deteriorates, which is generally defined as having either a credit rating that is below investment grade or a materially weaker creditworthiness after the change in control. If these events were to occur, the counterparties would have the right, but not the obligation, to close the contracts under early-termination provisions. In such circumstances, the counterparties could request immediate settlement of these contracts for amounts that approximate the then current fair values of the contracts. In addition, our derivative contracts are not subject to any type of master netting arrangement, and amounts due to or from a counterparty under these contracts may only be offset against other amounts due to or from the same counterparty if an event of default or termination, as defined, were to occur.

The cash flow effects of our derivatives contracts for the three years ended December 31, 2013, are included within Net cash provided by operating activities in the Consolidated Statements of Cash Flows.

18. Contingencies and commitments

Contingencies

In the ordinary course of business, we are involved in various legal proceedings and other matters, including those discussed in this Note, that are complex in nature and have outcomes that are difficult to predict.

We record accruals for loss contingencies to the extent that we conclude that it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated. We evaluate, on a quarterly basis, developments in legal proceedings and other matters that could cause an increase or decrease in the amount of the liability that has been accrued previously.

Our legal proceedings range from cases brought by a single plaintiff or defendant to class actions with thousands of putative class members. These legal proceedings, as well as other matters, involve various aspects of our business and a variety of claims (including but not limited to patent infringement, marketing, pricing and trade practices and securities law), some of which present novel factual allegations and/or unique legal theories. In each of the matters described in this filing, plaintiffs seek an award of a not-yet-quantified amount of damages or an amount that is not material. In addition, a number of the matters pending against us are at very early stages of the legal process (which in complex proceedings of the sort faced by us often extend for several years). As a result, none of the matters described in this filing have progressed sufficiently through discovery and/or development of important factual information and legal issues to enable us to estimate a range of possible loss, if any, or such amounts are not material. While it is not possible to accurately predict or determine the eventual outcomes of these items, an adverse determination in one or more of these items currently pending could have a material adverse effect on our consolidated results of operations, financial position or cash flows.

Certain of our legal proceedings and other matters are discussed below:

Sandoz Patent Litigation

On June 24, 2013, Sandoz, Inc. filed suit in the U.S. District Court for the Northern District of California against Amgen and Roche. Sandoz's complaint alleges that Sandoz has initiated a Phase III clinical study of an etanercept product in patients with moderate to severe chronic plaque-type psoriasis and it intends to seek FDA regulatory approval to market and sell etanercept in the United States upon completion of the clinical trial. Sandoz seeks a declaratory judgment of non-infringement, invalidity and unenforceability of U.S. Patent Nos. 8,063,182 and 8,163,522. These patents are owned by Roche, and Amgen holds an exclusive license to these patents. The '182 and '522 patents expire in November 2028 and April 2029, respectively. On defendants' motion, the court entered judgment dismissing the case for lack of subject matter jurisdiction on November 19, 2013. On December 12, 2013, Sandoz appealed the dismissal to the U.S. Court of Appeals for the Federal Circuit.

Onyx Litigation

Between August 28, 2013 and September 16, 2013, nine plaintiffs filed purported class action lawsuits against Onyx, its directors, Amgen and Arena Acquisition Company (Arena), and unnamed "John Doe" defendants in connection with Amgen's acquisition of Onyx. Seven of those purported class actions were brought in the Superior Court of the State of California for the County of San Mateo, captioned *Lawrence I. Silverstein and Phil Rosen v. Onyx Pharmaceuticals, Inc., et al.* (August 28, 2013) ("*Silverstein*"), *Laura Robinson v. Onyx Pharmaceuticals, Inc., et al.* (originally filed in the Superior Court for the County of San Francisco on August 28, 2013, and re-filed in the Superior Court for the County of San Mateo on August 29, 2013) ("*Robinson*"), *John Solak v. Onyx Pharmaceuticals, Inc., et al.* (August 30, 2013), *Louisiana Municipal Police Employees' Retirement System and Hubert Chow v. Onyx Pharmaceuticals, Inc., et al.* (September 3, 2013) ("*Louisiana Municipal*"), *Laurine Jonopulos v. Onyx Pharmaceuticals, Inc., et al.* (September 4, 2013) ("*Jonopulos*"), *Clifford G. Martin v. Onyx Pharmaceuticals, Inc., et al*. (September 9, 2013) ("*Martin*") and *Merrill L. Magowan v. Onyx Pharmaceuticals, Inc. et al.* (September 9, 2013) ("*Magowan*"). The eighth and ninth purported class actions were brought in the Court of Chancery of the State of Delaware, captioned *Mark D. Smilow, IRA v. Onyx Pharmaceuticals Inc., et al.* (August 29, 2013) and *William L. Fitzpatric v. Onyx Pharmaceuticals, Inc., et al.* (September 16, 2013) ("*Fitzpatric*"). On September 5, 2013, the plaintiff in the *John Solak* case filed a request for dismissal of the case without prejudice. On September 10, 2013, the plaintiff in the *Mark D. Smilow, IRA* case filed a notice and proposed order of voluntary dismissal of the case without prejudice. On September 10, 2013, plaintiffs in the *Silverstein* and *Louisiana Municipal* cases filed an amended complaint alleging substantially the same claims and seeking substantially the same relief as in their individual purported class action lawsuits. Each of the lawsuits alleges that the Onyx director defendants breached their fiduciary duties to Onyx shareholders, and that the other defendants aided and abetted such breaches, by seeking to sell Onyx through an allegedly unfair process and for an unfair price and on unfair terms. The *Magowan* and *Fitzpatric* complaints and the amended complaint filed in the *Silverstein* and *Louisiana Municipal* cases also alleged that the individual defendants breached their fiduciary duties with respect to the contents of the tender offer solicitation material. Each of the lawsuits sought, among other things, rescission

of the merger agreement and attorneys' fees and costs, and certain of the lawsuits sought other relief. The *Silverstein*, *Robinson*, *Louisiana Municipal* and *Jonopulos* cases were designated as "complex" and assigned to the Honorable Marie S. Weiner, who subsequently entered an order consolidating the *Silverstein*, *Robinson*, *Louisiana Municipal*, *Jonopulos*, *Martin* and *Magowan* cases (the Consolidated Cases). On October 31, 2013, the plaintiffs in the Consolidated Cases filed a consolidated class action complaint seeking certification of a class and alleging breach of fiduciary duties of loyalty and good faith against the Onyx directors and aiding and abetting breach of fiduciary duties against Onyx. The complaint sought certification of a class of all Onyx shareholders, damages (including pre- and post-judgment interest), attorneys' fees and expenses plus other relief. The plaintiffs in the Consolidated Cases simultaneously filed a notice of dismissal without prejudice of Amgen and Arena. Onyx and the Onyx directors filed demurrers to the consolidated class action complaint on November 22, 2013. Following a January 3, 2014 hearing, on January 9, 2014, the court entered an order overruling the demurrer on the breach of fiduciary duty of loyalty and good faith against the Onyx directors and sustained the demurrer without leave to amend against Onyx.

Federal Securities Litigation - In re Amgen Inc. Securities Litigation

The six federal class action stockholder complaints filed against Amgen Inc., Kevin W. Sharer, Richard D. Nanula, Dennis M. Fenton, Roger M. Perlmutter, Brian M. McNamee, George J. Morrow, Edward V. Fritzky, Gilbert S. Omenn and Franklin P. Johnson, Jr., (the Federal Defendants) in the U.S. District Court for the Central District of California (the California Central District Court) on April 17, 2007 (*Kairalla v. Amgen Inc., et al.*), May 1, 2007 (*Mendall v. Amgen Inc., et al., & Jaffe v. Amgen Inc., et al.*), May 11, 2007 (*Eldon v. Amgen Inc., et al.*), May 21, 2007 (*Rosenfield v. Amgen Inc., et al.*) and June 18, 2007 (*Public Employees' Retirement Association of Colorado v. Amgen Inc., et al.*) were consolidated by the California Central District Court into one action captioned *In re Amgen Inc. Securities Litigation*. The consolidated complaint was filed with the California Central District Court on October 2, 2007. The consolidated complaint alleges that Amgen and these officers and directors made false statements that resulted in: (i) deceiving the investing public regarding Amgen's prospects and business; (ii) artificially inflating the prices of Amgen's publicly traded securities and (iii) causing plaintiff and other members of the class to purchase Amgen publicly traded securities at inflated prices. The complaint also makes off-label marketing allegations that, throughout the class period, the Federal Defendants improperly marketed Aranesp ® and EPOGEN® for off-label uses while aware that there were alleged safety signals with these products. The plaintiffs seek class certification, compensatory damages, legal fees and other relief deemed proper. The Federal Defendants filed a motion to dismiss on November 8, 2007. On February 4, 2008, the California Central District Court granted in part, and denied in part, the Federal Defendants' motion to dismiss the consolidated amended complaint. Specifically, the California Central District Court granted the Federal Defendants' motion to dismiss as to individual defendants Fritzky, Omenn, Johnson, Fenton and McNamee, but denied the Federal Defendants' motion to dismiss as to individual defendants Sharer, Nanula, Perlmutter and Morrow.

A class certification hearing before the California Central District Court, was held on July 17, 2009, and on August 12, 2009, the California Central District Court granted plaintiffs' motion for class certification. On August 28, 2009, Amgen filed a petition for permission to appeal with the U.S. Court of Appeals for the Ninth Circuit (the Ninth Circuit Court) under Rule 23(f), regarding the Order on Class Certification and the Ninth Circuit Court granted Amgen's permission to appeal on December 11, 2009. On February 2, 2010, the California Central District Court granted Amgen's motion to stay the underlying action pending the outcome of the Ninth Circuit Court 23(f) appeal. On October 14, 2011, the appeal under Rule 23(f) was argued before the Ninth Circuit Court and on December 28, 2011, the Ninth Circuit Court denied the appeal. Amgen filed a petition for certiorari with the U.S. Supreme Court on March 3, 2012, and on June 11, 2012, the Court granted Amgen's petition. Oral argument occurred on November 5, 2012. On February 27, 2013, the U.S. Supreme Court affirmed the decision of the Ninth Circuit Court and remanded the case back to the California Central District Court for further proceedings. A revised July 28, 2015, trial date has been set by the California Central District Court.

State Derivative Litigation

Larson v. Sharer, et al.

The three state stockholder derivative complaints filed against Amgen Inc., Kevin W. Sharer, George J. Morrow, Dennis M. Fenton, Brian M. McNamee, Roger M. Perlmutter, David Baltimore, Gilbert S. Omenn, Judith C. Pelham, Frederick W. Gluck, Jerry D. Choate, J. Paul Reason, Frank J. Biondi, Jr., Leonard D. Schaeffer, Frank C. Herringer, Richard D. Nanula, Willard H. Dere, Edward V. Fritzky, Franklin P. Johnson, Jr. and Donald B. Rice

the Superior Court of the State of California, Ventura County (the Superior Court) were consolidated by the Superior Court under one action captioned *Larson v. Sharer, et al.* The consolidated complaint was filed on July 5, 2007. The complaint alleges that the State Defendants breached their fiduciary duties, wasted corporate assets, were unjustly enriched and violated the California Corporations Code. Plaintiffs allege

that the State Defendants failed to disclose and/or misrepresented results of Aranesp ® clinical studies, marketed both Aranesp ® and EPOGEN® for off-label uses and that these actions or inactions caused stockholders to suffer damages. The complaints also allege insider trading by the State Defendants. The plaintiffs seek treble damages based on various causes of action, reformed corporate governance, equitable and/or injunctive relief, restitution, disgorgement of profits, benefits and other compensation, and legal costs.

An amended consolidated complaint was filed on March 13, 2008, adding Anthony Gringeri as a State Defendant and removing the causes of action for insider selling and misappropriation of information, violation of California Corporations Code Section 25402 and violation of California Corporations Code Section 25403. On July 14, 2008, the Superior Court dismissed without prejudice the consolidated state derivative class action. The judge also ordered a stay of any re-filing of an amended complaint until the federal court has determined in the *In re Amgen Inc. Securities Litigation* action whether any securities fraud occurred. On July 3, 2013, the parties filed a stipulation to permit the plaintiffs to file an amended complaint asserting additional grounds for the defendants' alleged breaches of fiduciary duty.

Federal Derivative Litigation

On May 7, 2007, the stockholder derivative lawsuit of *Durgin v. Sharer, et al*, was filed in the California Central District Court and named Amgen Inc., Kevin W. Sharer, George J. Morrow, Dennis M. Fenton, Brian M. McNamee, Roger M. Perlmutter, David Baltimore, Gilbert S. Omenn, Judith C. Pelham, Frederick W. Gluck, Jerry D. Choate, J. Paul Reason, Frank J. Biondi, Jr., Leonard D. Schaeffer, Frank C. Herringer, Richard D. Nanula, Edward V. Fritzky and Franklin P. Johnson, Jr. as defendants. The complaint alleges the same claims and requests the same relief as in the three state stockholder derivative complaints now consolidated as *Larson v. Sharer, et al.* The case has been stayed for all purposes until thirty days after a final ruling on the motion to dismiss by the California Central District Court in the *In re Amgen Inc. Securities Litigation* action.

On September 21, 2007, the stockholder derivative lawsuit of *Rosenblum v. Sharer, et al*, was filed in the California Central District Court. This lawsuit was brought by a stockholder who previously made a demand on the Amgen Board on May 14, 2007. The complaint alleges that the defendants breached their fiduciary duties, wasted corporate assets and were unjustly enriched. Plaintiffs allege that the defendants failed to disclose and/or misrepresented results of Aranesp® clinical studies, marketed both Aranesp ® and EPOGEN® for off-label uses and that these actions or inactions as well as the Amgen market strategy caused damage to the Company resulting in several inquiries, investigations and lawsuits that are costly to defend. The complaint also alleges insider trading by the defendants. The plaintiffs seek treble damages based on various causes of action, reformed corporate governance, equitable and/or injunctive relief, restitution, disgorgement of profits, benefits and other compensation, and legal costs. The case was stayed for all purposes until thirty days after a final ruling on the motion to dismiss by the California Central District Court in the *In re Amgen Inc. Securities Litigation* action.

Thereafter, on May 1, 2008, plaintiff in *Rosenblum v. Sharer, et al*, filed an amended complaint which removed Dennis Fenton as a defendant and also eliminated the claims for insider selling by defendants. On July 30, 2008, the California Central District Court granted Amgen and the defendants' motion to dismiss without prejudice and also granted a stay of the case pending resolution of the *In re Amgen Inc. Securities Litigation* action.

ERISA Litigation

On August 20, 2007, the ERISA class action lawsuit of *Harris v. Amgen Inc., et al.,* was filed in the California Central District Court and named Amgen Inc., Kevin W. Sharer, Frank J. Biondi, Jr., Jerry Choate, Frank C. Herringer, Gilbert S. Omenn, David Baltimore, Judith C. Pelham, Frederick W. Gluck, Leonard D. Schaeffer, Jacqueline Allred, Raul Cermeno, Jackie Crouse, Lori Johnston, Michael Kelly and Charles Bell as defendants. Plaintiffs claim that Amgen and the individual defendants breached their fiduciary duties by failing to inform current and former employees who participated in the Amgen Retirement and Savings Plan and the Retirement and Savings Plan for Amgen Manufacturing Limited of the alleged off-label promotion of both Aranesp ® and EPOGEN® while a number of studies allegedly demonstrated safety concerns in patients using ESAs. On February 4, 2008, the California Central District Court dismissed the complaint with prejudice as to plaintiff Harris, who had filed claims against Amgen Inc. The claims alleged by the second plaintiff, Ramos, were also dismissed but the court granted the plaintiff leave to amend his complaint. On February 1, 2008, the plaintiffs appealed the decision by the California Central District Court to dismiss the claims of both plaintiffs Harris and Ramos to the Ninth Circuit Court. On May 19, 2008, plaintiff Ramos in the *Harris v. Amgen Inc., et al.,* action filed another lawsuit captioned *Ramos v. Amgen Inc., et al.,* in the California Central District Court. The lawsuit is another ERISA class action. The *Ramos v. Amgen Inc., et al*., matter names the same defendants in the *Harris v. Amgen Inc., et al.,* matter plus four new defendants: Amgen Manufacturing Limited, Richard Nanula, Dennis Fenton and the Fiduciary Committee. On July 14, 2009, the Ninth Circuit Court reversed the California Central District Court's decision in the *Harris* matter and remanded

the case back to the California Central District Court. In the meantime, a third ERISA class action was filed by Don Hanks on June 2, 2009 in the California Central District Court alleging the same ERISA violations as in the *Harris* and *Ramos* lawsuits.

On August 10, 2009, the *Harris*, *Ramos* and *Hanks* matters were consolidated by the California Central District Court into one action captioned *Harris, et. al. v. Amgen Inc.* On October 13, 2009, the California Central District Court granted plaintiffs Harris' and Ramos' motion to be appointed interim co-lead counsel. Plaintiffs filed an amended complaint on November 11, 2009 and added two additional plaintiffs, Jorge Torres and Albert Cappa. Amgen filed a motion to dismiss the amended/consolidated complaint, and on March 2, 2010, the California Central District Court dismissed the entire lawsuit without prejudice. Plaintiffs filed an amended complaint on March 23, 2010. Amgen then filed another motion to dismiss on April 20, 2010. On June 16, 2010, the California Central District Court entered an order dismissing the entire lawsuit with prejudice. On June 24, 2010, the plaintiffs filed a notice of appeal with the Ninth Circuit Court. On June 4, 2013, the Ninth Circuit Court reversed the decision of the California Central District Court and remanded the case back to the California Central District Court for further proceedings. On June 18, 2013, Amgen petitioned the Ninth Circuit Court for rehearing and/or to be r 23, 2013. Amgen moved for a stay of the mandate which the Ninth Circuit Court granted on November 5, 2013. A petition for certiorari was filed with the U.S. Supreme Court on January 21, 2014.

Commitments

We lease certain facilities and equipment related primarily to administrative, R&D, sales and marketing activities under non-cancelable operating leases that expire through 2032. The following table summarizes the minimum future rental commitments under non-cancelable operating leases as of December 31, 2013 (in millions):

2014	$ 140
2015	125
2016	114
2017	95
2018	86
Thereafter	345
Total minimum operating lease commitments	$ 905

Included in the table above are future rental commitments for abandoned leases in the amount of $293 million. Rental expense on operating leases for the years ended December 31, 2013, 2012 and 2011, was $125 million, $117 million and $131 million, respectively.

19. Segment information

We operate in one business segment — human therapeutics. Therefore, results of our operations are reported on a consolidated basis for purposes of segment reporting, consistent with internal management reporting. Enterprise-wide disclosures about product sales; revenues and long-lived assets by geographic area; and revenues from major customers are presented below.

Revenues

Revenues were as follows for the years ended December 31, 2013, 2012 and 2011 (in millions):

	2013	2012	2011
Product sales:			
Neulasta®	$ 4,392	$ 4,092	$ 3,952
NEUPOGEN®	1,398	1,260	1,260
ENBREL	4,551	4,236	3,701
Aranesp®	1,911	2,040	2,303
EPOGEN®	1,953	1,941	2,040
Sensipar®/Mimpara®	1,089	950	808
Vectibix®	389	359	322
Nplate®	427	368	297
XGEVA®	1,019	748	351
Prolia®	744	472	203
Kyprolis®	73	—	—
Other	246	173	58
Total product sales	18,192	16,639	15,295
Other revenues	484	626	287
Total revenues	$ 18,676	$ 17,265	$ 15,582

Geographic information

Outside the United States, we sell products principally in Europe and Canada. The geographic classification of product sales was based on the location of the customer. The geographic classification of all other revenues was based on the domicile of the entity from which the revenues were earned.

Certain geographic information with respect to revenues and long-lived assets (consisting of property, plant and equipment) was as follows (in millions):

	Years ended December 31,		
	2013	2012	2011
Revenues:			
United States	$ 14,480	$ 13,415	$ 11,985
Rest of the world (ROW)	4,196	3,850	3,597
Total revenues	$ 18,676	$ 17,265	$ 15,582

	December 31,	
	2013	2012
Long-lived assets:		
United States	$ 2,772	$ 2,906
Puerto Rico	1,822	1,908
ROW	755	512
Total long-lived assets	$ 5,349	$ 5,326

Major customers

In the United States, we sell primarily to pharmaceutical wholesale distributors. We utilize those wholesale distributors as the principal means of distributing our products to healthcare providers. In Europe, we sell principally to healthcare providers and/or pharmaceutical wholesale distributors depending on the distribution practice in each country. We monitor the financial condition of our larger customers, and we limit our credit exposure by setting credit limits and, for certain customers, may require letters of credit.

We had product sales to three customers each accounting for more than 10% of total revenues for the years ended December 31, 2013, 2012 and 2011. For 2013, on a combined basis, these customers accounted for 75% and 93% of worldwide gross revenues and U.S. gross product sales, respectively, as noted in the following table. Certain information with respect to these customers for the years ended December 31, 2013, 2012 and 2011, was as follows (dollar amounts in millions):

	2013	2012	2011
AmerisourceBergen Corporation:			
Gross product sales	$ 8,527	$ 7,556	$ 7,574
% of total gross revenues	35%	34%	36%
% of U.S. gross product sales	44%	43%	45%
McKesson Corporation:			
Gross product sales	$ 6,440	$ 5,898	$ 4,591
% of total gross revenues	27%	27%	22%
% of U.S. gross product sales	32%	32%	27%
Cardinal Health, Inc.:			
Gross product sales	$ 3,209	$ 3,245	$ 3,021
% of total gross revenues	13%	15%	14%
% of U.S. gross product sales	17%	19%	18%

At December 31, 2013 and 2012, amounts due from these three customers each exceeded 10% of gross trade receivables and accounted for 63% and 61%, respectively, of net trade receivables on a combined basis. At December 31, 2013 and 2012, 35% and 36%, respectively, of trade receivables, net were due from customers located outside the United States, primarily in Europe. Our total allowance for doubtful accounts as of December 31, 2013 and 2012, was not material.

20. Quarterly financial data (unaudited)

	2013 Quarters ended			
(In millions, except per share data)	December 31	September 30	June 30	March 31
Product sales	$ 4,799	$ 4,647	$ 4,595	$ 4,151
Gross profit from product sales	3,770	3,859	3,810	3,407
Net income	1,021	1,368	1,258	1,434
Earnings per share:				
Basic	$ 1.35	$ 1.81	$ 1.67	$ 1.91
Diluted	$ 1.33	$ 1.79	$ 1.65	$ 1.88

	2012 Quarters ended			
(In millions, except per share data)	December 31	September 30	June 30	March 31
Product sales	$ 4,337	$ 4,201	$ 4,200	$ 3,901
Gross profit from product sales[(1)]	3,415	3,426	3,448	3,151
Net income	788	1,107	1,266	1,184
Earnings per share:				
Basic	$ 1.03	$ 1.44	$ 1.63	$ 1.50
Diluted	$ 1.01	$ 1.41	$ 1.61	$ 1.48

(1) Includes the impact of prior-period amounts for amortization of certain acquired intangible assets that have been reclassified within Operating expenses in our Consolidated Statements of Income to conform to the current-period presentation.

SCHEDULE II

AMGEN INC.

VALUATION AND QUALIFYING ACCOUNTS

Years ended December 31, 2013, 2012 and 2011

(In millions)

Allowance for doubtful accounts	Balance at beginning of period	Additions charged to costs and expenses	Other additions	Deductions	Balance at end of period
Year ended December 31, 2013	$ 61	$ 5	$ —	$ 7	$ 59
Year ended December 31, 2012	$ 54	$ 7	$ —	$ —	$ 61
Year ended December 31, 2011	$ 42	$ 17	$ —	$ 5	$ 54

AMGEN INC. 2009
PERFORMANCE AWARD PROGRAM

(Effective March 3, 2009)

As Amended Through December 13, 2013

ARTICLE I

PURPOSE

The purpose of this document is to set forth the general terms and conditions applicable to the Amgen Inc. 2009 Performance Award Program (the "Program") established by the Compensation and Management Development Committee of the Board of Directors of Amgen Inc. (the "Company") pursuant to, and in implementation of, Articles 5 and 9 of the Company's 2009 Equity Incentive Plan, as amended and/or restated from time to time (the "2009 Plan"). The Program is intended to carry out the purposes of the 2009 Plan and provide a means to reinforce objectives for sustained long-term performance and value creation by awarding selected key employees of the Company with payments in Company stock based on the level of achievement of pre-established performance goals during performance periods through the award of Performance Awards pursuant to Articles 5 and 9 of the 2009 Plan, subject to the restrictions and other provisions of the Program and the 2009 Plan.

ARTICLE II

DEFINITIONS

Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to such terms in the 2009 Plan.

"Award" shall mean the earned Performance Units payable in Common Stock under the Program for a Performance Period.

"Board" shall mean the Board of Directors of the Company.

"Change of Control" shall mean the occurrence of any of the following:

(i) the acquisition (other than from the Company) by any person, entity or "group," within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (excluding, for this purpose, the Company or any of its Affiliates, or any employee benefit plan of the Company or any of its Affiliates which acquires beneficial ownership of voting securities of the Company), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either the then outstanding shares of Common Stock or the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors; or

(ii) individuals who, as of April 2, 1991, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to April 2, 1991, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes

of the Plan, considered as though such person were a member of the Incumbent Board; or

(iii) the consummation by the Company of a reorganization, merger, consolidation, (in each case, with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated company's then outstanding voting securities) or a liquidation or dissolution of the Company or of the sale of all or substantially all of the assets of the Company.

Notwithstanding anything herein or in any Award Agreement to the contrary, if a Change of Control constitutes a payment event with respect to any Award that is subject to United States income tax and which provides for a deferral of compensation that is subject to Section 409A of the Code, the transaction or event described in subsection (i), (ii), (iii) or (iv) must also constitute a "change in control event," as defined in Treasury Regulation §1.409A-3(i)(5), in order to constitute a Change of Control for purposes of payment of such Award.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations and official guidance promulgated thereunder.

"Common Stock" shall mean the common stock, par value $0.0001 per share, of the Company.

"Determination Date" shall have the meaning ascribed to it in Section 4.1.

"Participant" shall mean a key employee of the Company or an Affiliate who participates in this Program pursuant to the provisions of Article III hereof.

"Performance Period" shall mean a period of time with respect to which performance is measured as determined by the Committee. Performance Periods may overlap.

"Performance Goals" shall have the meaning ascribed to it in Section 5.2.

"Performance Unit" shall mean a right granted to a Participant pursuant to the Program to receive Common Stock, the payment of which is contingent upon achieving the Performance Goals.

"Permanent and Total Disability" shall have the meaning ascribed to such term under Section 22(e)(3) of the Code and with such permanent and total disability being certified prior to termination of a Participant's employment by (i) the Social Security Administration, (ii) the comparable governmental authority applicable to an Affiliate of the Company, (iii) such other body having the relevant decision-making power applicable to an Affiliate of the Company, or (iv) an independent medical advisor appointed by the Company in its sole discretion, as applicable, in any such case.

"Retirement-Eligible" shall mean when a Participant is at least sixty-five (65) years of age, or when a Participant is at least fifty-five (55) years of age and has been an employee of the Company and/or an Affiliate of the Company for at least ten (10) years in the aggregate as determined by the Company in its sole discretion according to Company policies and practices as in effect from time to time.

"Section 162(m) Participant" shall mean any Participant designated by the Committee as a "covered employee" within the meaning of Section 162(m) of the Code whose compensation for the fiscal year in which the Participant is so designated or a future fiscal year may be subject to the limit on deductible compensation imposed by Section 162(m) of the Code.

"Voluntary Retirement" shall mean voluntary termination of employment that is not the result of Permanent and Total Disability.

ARTICLE III

PARTICIPATION

3.1 Participants. Participants for any Performance Period shall be those active key employees of the Company or an Affiliate who are designated in writing as eligible for participation by the Committee no later than the ninetieth (90th) day after the beginning of such Performance Period.

3.2 No Right to Participate. No Participant or other employee of the Company or an Affiliate shall, at any time, have a right to participate in this Program for any Performance Period, notwithstanding having previously participated in this Program.

ARTICLE IV

ADMINISTRATION

4.1 Generally. The Committee shall establish the basis for payments under this Program in relation to specified Performance Goals, as more fully described in Article V hereof. With respect to the 162(m) Participants, the Committee shall establish the basis for payments under this Program in relation to specified Performance Goals no later than the ninetieth (90th) day after the beginning of such Performance Period, but in no event after 25 percent of the Performance Period has lapsed. Following the end of each Performance Period, once all of the information necessary for the Committee to determine the Company's performance is made available to the Committee, the Committee shall determine the amount of the Award payable to each Participant; *provided, however*, that any such determination shall be made no later than six months following the end of such Performance Period (the date of such determination shall hereinafter be called the "Determination Date"). The Committee shall have the power and authority granted it under Article 12 of the 2009 Plan, including, without limitation, the authority to construe and interpret this Program, to prescribe, amend and rescind rules, regulations and procedures relating to its administration and to make all other determinations necessary or advisable for administration of this Program. Decisions of the Committee in accordance with the authority granted hereby shall be conclusive and binding. Subject only to compliance with the express provisions hereof, the Committee may act in its sole and absolute discretion with respect to matters within its authority under this Program.

4.2 Provisions Applicable to Section 162(m) Participants. Subject to the sole discretion of the Committee, any Awards paid hereunder to a Section 162(m) Participant shall satisfy and shall be interpreted in a manner that satisfies any applicable requirements as "qualified performance-based compensation" within the meaning of Section 162(m) of the Code and any provisions, application or interpretation of the Program or the 2009 Plan that is inconsistent with this intent shall be disregarded. To the extent that any Award (i) is deemed to constitute "nonqualified deferred compensation" (within the meaning of Code Section 409A) and (ii) would nevertheless be subject to the deduction limitations imposed by Section 162(m) of the Code in the year in which such Award would otherwise be paid under this Program, the payment of such Award may, in the Committee's discretion, be delayed until the earlier of (A) the first year in which such Award would not be subject to the deduction limitations imposed by Section 162(m) or (B) such time as the Participant ceases to be a "service provider" to the Company (within the meaning of Section 409A of the Code).

4.3 Provisions Applicable to Participants in Foreign Jurisdictions. Notwithstanding any provision of the Program to the contrary, in order to comply with the laws in other countries in which the Company

and its Affiliates operate or have employees, the Committee, in its sole discretion, shall have the power and authority to:

(i) modify the terms and conditions of any award of Performance Units granted to employees outside the United States to comply with applicable foreign laws;

(ii) condition the effectiveness of any award of Performance Units upon approval or compliance with any applicable foreign laws, regulations, rules or local governmental regulatory exemption or approvals;

(iii) provide for payment of any Award in cash or Common Stock, at the Company's election, to the extent necessary to comply with applicable foreign laws; and

(iv) take any other action, before or after an award of Performance Units is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals.

Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no award of Performance Units shall be granted, that would violate the Securities Act, the Exchange Act, the Code, or any other securities or tax or other applicable law or regulation.

ARTICLE V

AWARD DETERMINATIONS

5.1 Award of Performance Units. The Committee shall determine the number of Performance Units (rounded down to the nearest whole number) to be awarded under this Program to each Participant with respect to such Performance Period. With respect to the Section 162(m) Participants, the Committee shall determine the number of Performance Units (rounded down to the nearest whole number) to be awarded under this Program to each Section 162(m) Participant with respect to such Performance Period no later than the ninetieth (90th) day after the beginning of such Performance Period, but in no event after 25 percent of the Performance Period has elapsed. Performance Units granted under the Program shall constitute Performance Awards under Article 9 of the 2009 Plan.

5.2 Performance Requirements. The Committee shall approve the performance goals (collectively, the "Performance Goals") with respect to any of the business criteria permitted under the 2009 Plan, each subject to such adjustments as the Committee may specify in writing at such time, and shall establish a formula, standard or schedule which aligns the level of achievement of the Performance Goals with the earned Performance Units.

With respect to the Section 162(m) Participants, the Committee shall approve the Performance Goals no later than the ninetieth (90th) day after the beginning of such Performance Period, but in no event after 25 percent of the Performance Period has elapsed, and the Performance Goals may not be changed during the Performance Period, but the thresholds, targets and multiplier measures of the Performance Goals shall be subject to such adjustments as the Committee may specify in writing no later than the ninetieth (90th) day after the beginning of such Performance Period, but in no event after 25 percent of the Performance Period has elapsed.

5.3 Dividend Equivalents. The Committee shall determine whether Dividend Equivalents shall be credited with respect to Performance Units awarded under the Program pursuant to Section 9.2 of the

2009 Plan on such terms and conditions determined by the Committee. Any such Dividend Equivalents shall be credited in cash or additional shares of Common Stock by such formula and at such time and subject to such limitations as may be determined by the Committee.

ARTICLE VI

PAYMENT OF AWARDS

6.1 Form and Timing of Payment. Except as set forth in Section 8.1 below, no Award payable pursuant to this Program shall be paid unless and until the Committee certifies, in writing, the extent to which the Performance Goals have been achieved and the corresponding number of Performance Units earned. The specified payment date applicable to such Awards shall be the year immediately following the tax year including the end of the Performance Period. Shares of Common Stock issued in respect of an Award shall be deemed to be issued in consideration for future services to be rendered or past services actually rendered to the Company or for its benefit, by the Participant, which the Committee deems to have a value at least equal to the aggregate par value thereof.

6.2 Tax Withholding. Regardless of any action the Company or its Affiliate takes with respect to any or all income tax (including federal, state and local taxes), social insurance, payroll tax, payment on account or other tax-related items related to participation in the Program and legally applicable to the Participant (" Tax Obligations"), the Participant acknowledges that the ultimate liability for all Tax Obligations is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company and/or its Affiliate. The Participant further acknowledges that the Company and/or its Affiliate (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Performance Units, including the grant of the Performance Units, the vesting of Performance Units, the conversion of the Performance Units into shares or the receipt of an equivalent cash payment, the subsequent sale of any shares acquired at vesting and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Performance Units to reduce or eliminate the Participant's liability for Tax Obligations or achieve any particular tax result. Furthermore, if the Participant becomes subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, the Participant acknowledges that the Company and/or its Affiliate may be required to withhold or account for Tax Obligations in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant shall pay, or make adequate arrangements satisfactory to the Company or to its Affiliate (in their sole discretion) to satisfy all Tax Obligations. In this regard, the Participant authorizes the Company and/or its Affiliate or their respective agents, at their discretion, to satisfy all applicable Tax Obligations by one or a combination of the following:

(a) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or its Affiliate; or

(b) withholding from proceeds of the sale of shares of Common Stock acquired upon vesting or payment of the Performance Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); or

(c) withholding in shares of Common Stock to be issued upon vesting or payment of the Performance Units, provided that the Company and its Affiliate shall only withhold an amount of shares of Common Stock with a fair market value equal to the Tax Obligations.

To avoid adverse accounting treatment, the Company may withhold or account for Tax Obligations not to exceed the applicable minimum statutory withholding rates or other applicable withholding rates. If the Tax Obligations are satisfied by withholding in shares of Common Stock, for tax purposes, the Participant is deemed to have been issued the full number of shares of Common Stock subject to the vested Performance Units, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax Obligations due as a result of any aspect of the Participant's participation in the Program (any shares of Common Stock withheld by the Company hereunder shall not be deemed to have been issued by the Company for any purpose under the Program and shall remain available for issuance thereunder).

Finally, the Participant shall pay to the Company or its Affiliate any amount of Tax Obligations that the Company or its Affiliate may be required to withhold or account for as a result of the Participant's participation in the Program that cannot be satisfied by the means previously described. The Participant agrees to take any further actions and execute any additional documents as may be necessary to effectuate the provisions of this Section 6.2. Notwithstanding Section 6.1 above, the Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock if the Participant fails to comply with its obligations in connection with the Tax Obligations.

ARTICLE VII

TERMINATION OF EMPLOYMENT

7.1 Termination of Employment During Performance Period.

(a) In the event that a Participant's employment with the Company or an Affiliate is terminated prior to the last business day of a Performance Period by reason of such Participant's Voluntary Retirement and such Participant is Retirement-Eligible on the date of such termination, the full or prorated amount of such Participant's Award, if any, applicable to such Performance Period shall be paid in accordance with the provisions of Article VI above. For purposes of the foregoing, the amount of the Participant's Award (rounded down to the nearest whole number) shall be determined based on the Company's performance as compared to the Performance Goals for such Performance Period and (i) if the Award was granted with respect to a Performance Period commencing in a calendar year prior to the calendar year in which such Voluntary Retirement occurs, the full amount of the Award is payable, and (ii) if the Award was granted with respect to the Performance Period commencing in the calendar year in which such Voluntary Retirement occurs, the Award otherwise payable is multiplied by a fraction (rounded to two decimal places), the numerator of which is the number of complete months of employment during such calendar year, and the denominator of which is twelve (12). Notwithstanding the foregoing, a Participant shall not be entitled to such full or prorated amount of such Participant's Award pursuant to this Section 7.1(a) unless either such Participant signs a general release and waiver in a form provided by the Company and delivers it to the Company no later than the date specified by the Company, or the Company waives such release requirement in writing; *provided*, *however*, that in no event shall payment of such full or prorated amount of such Participant's Award be made later than the specified payment date as set forth in Section 6.1 above.

(b) In the event that a Participant's employment with the Company or an Affiliate is terminated prior to the last business day of a Performance Period by reason of such Participant's death or Permanent and Total Disability, the full or prorated amount of such Participant's Award, if any, applicable to such Performance Period shall be paid in accordance with the provisions of Article VI above. For purposes of the foregoing, the amount of the Participant's Award (rounded down to the nearest whole number) shall be determined based on the Company's performance as compared to the Performance Goals for such Performance Period and (i) if the Award was granted with respect to a Performance Period commencing in a calendar year prior to the calendar year in which such termination occurs, the full amount of the Award is

payable, and (ii) if the Award was granted with respect to the Performance Period commencing in the calendar year in which such termination occurs, the Award otherwise payable is multiplied by a fraction (rounded to two decimal places), the numerator of which is the number of complete months of employment during such calendar year, and the denominator of which is twelve (12). Notwithstanding the foregoing, with respect to a Participant whose employment is terminated due to such Participant's Permanent and Total Disability, such Participant shall not be entitled to such full or prorated amount of such Participant's Award pursuant to this Section 7.1(b) unless either such Participant signs a general release and waiver in a form provided by the Company and delivers it to the Company no later than the date specified by the Company, or the Company waives such release requirement in writing; *provided*, *however*, that in no event shall payment of such full or prorated amount of such Participant's Award be made later than the specified payment date as set forth in Section 6.1 above.

(c) In the event that a Participant's employment with the Company or an Affiliate is terminated prior to the last business day of a Performance Period for any reason other than as specified in Sections 7.1(a) and (b) above, all of such Participant's rights to an Award for such Performance Period shall be forfeited, unless, prior to the payment date described in Article VI above, the Company, in its sole discretion, makes a written determination to otherwise pay the full or prorated amount of the Participant's Award, if any, applicable to such Performance Period, which full or prorated amount shall be paid in accordance with the provisions of Article VI above. For purposes of the foregoing, if the payment of the Participant's Award is prorated, the amount of the Participant's Award (rounded down to the nearest whole number) shall be determined based on the Company's performance as compared to the Performance Goals for such Performance Period and (i) if the Award was granted with respect to a Performance Period commencing in a calendar year prior to the calendar year in which such termination occurs, the full amount of the Award is payable, and (ii) if the Award was granted with respect to the Performance Period commencing in the calendar year in which such termination occurs, the Award otherwise payable is multiplied by a fraction (rounded to two decimal places), the numerator of which is the number of complete months of employment during such calendar year, and the denominator of which is twelve (12). Notwithstanding the foregoing, a Participant shall not be entitled to such full or prorated amount of such Participant's Award pursuant to this Section 7.1(c) unless either such Participant signs a general release and waiver in a form provided by the Company and delivers it to the Company no later than the date specified by the Company, or the Company waives such release requirement in writing; *provided*, *however*, that in no event shall payment of such full or prorated amount of such Participant's Award be made later than the specified payment date as set forth in Section 6.1 above.

7.2 Termination of Employment After End of Performance Period. In the event that a Participant's employment with the Company or an Affiliate is terminated on or after the last business day of the applicable Performance Period but prior to the Determination Date for any reason, the amount of any Award applicable to such Performance Period shall be paid to the Participant in accordance with the provisions of Article VI above.

ARTICLE VIII

CHANGE OF CONTROL

8.1 Change of Control During Performance Period. Notwithstanding anything to the contrary in the Program, the Committee shall set forth the terms of any Award payable in the event of Change of Control that occurs during a Performance Period in the Performance Goals.

8.2 Change of Control After End of Performance Period. Notwithstanding anything to the contrary in the Program, in the event of a Change of Control that occurs after the end of the applicable Performance Period but prior to the Determination Date, the amount of any Award applicable to such Performance Period shall be paid to the Participant in accordance with the provisions of Article VI above.

ARTICLE IX

MISCELLANEOUS

9.1 Plan. The Program is subject to all the provisions of the 2009 Plan and its provisions are hereby made a part of the Program, including without limitation the provisions of Articles 5 and 9 thereof (relating to Performance-Based Compensation and Performance Awards) and Section 13.2 thereof (relating to adjustments upon changes in the Common Stock), and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the 2009 Plan. In the event of any conflict between the provisions of the Program and those of the 2009 Plan, the provisions of the 2009 Plan shall control. Notwithstanding any provision of the Program to the contrary, any earned Performance Units paid in cash rather than shares of Common Stock shall not be deemed to have been issued by the Company for any purpose under the 2009 Plan.

9.2 Amendment and Termination. Notwithstanding anything herein to the contrary, the Committee may, at any time, terminate, modify or suspend this Program; *provided, however*, that, without the prior consent of the Participants affected, no such action may adversely affect any rights or obligations with respect to any Awards theretofore earned but unpaid for a completed Performance Period, whether or not the amounts of such Awards have been computed and whether or not such Awards are then payable. Notwithstanding the forgoing, at any time the Committee determines that the Performance Units may be subject to Section 409A of the Code, the Committee shall have the right, in its sole discretion, and without a Participant's prior consent to amend the Program as it may determine is necessary or desirable either for the Performance Units to be exempt from the application of Section 409A or to satisfy the requirements of Section 409A, including by adding conditions with respect to the vesting and/or the payment of the Performance Units, provided that no such amendment may change the Program's "performance goals," within the meaning of Section 162(m) of the Code, with respect to any person who is a "covered employee," within the meaning of Section 162(m) of the Code.

9.3 No Contract for Employment. Nothing contained in this Program or in any document related to this Program or to any Award shall confer upon any Participant any right to continue as an employee or in the employ of the Company or an Affiliate or constitute any contract or agreement of employment for a specific term or interfere in any way with the right of the Company or an Affiliate to reduce such person's compensation, to change the position held by such person or to terminate the employment of such person, with or without cause.

9.4 Nontransferability. No benefit payable under, or interest in, this Program shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any such attempted action shall be void and no such benefit or interest shall be, in any manner, liable for, or subject to, debts, contracts, liabilities or torts of any Participant or beneficiary; *provided, however*, that, nothing in this Section 9.4 shall prevent transfer (i) by will, or (ii) by applicable laws of descent and distribution.

9.5 Compensation Subject to Recovery. The Awards under this Program and all compensation payable with respect to them shall be subject to recovery by the Company pursuant to any and all of the

Company's policies with respect to the recovery of compensation, as they shall be in effect and may be amended from time to time, to the maximum extent permitted by applicable law.

9.6 Nature of Program. No Participant, beneficiary or other person shall have any right, title or interest in any fund or in any specific asset of the Company or any Affiliate by reason of any award hereunder. There shall be no funding of any benefits which may become payable hereunder. Nothing contained in this Program (or in any document related thereto), nor the creation or adoption of this Program, nor any action taken pursuant to the provisions of this Program shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or an Affiliate and any Participant, beneficiary or other person. To the extent that a Participant, beneficiary or other person acquires a right to receive payment with respect to an Award hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company or other employing entity, as applicable. All amounts payable under this Program shall be paid from the general assets of the Company or employing entity, as applicable, and no special or separate fund or deposit shall be established and no segregation of assets shall be made to assure payment of such amounts. Nothing in this Program shall be deemed to give any employee any right to participate in this Program except in accordance herewith.

9.7 Governing Law. This Program shall be construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

Exhibit 10.9

AMGEN INC. SUPPLEMENTAL RETIREMENT PLAN

(As Amended and Restated Effective October 16, 2013)

AMGEN INC. SUPPLEMENTAL RETIREMENT PLAN

(As Amended and Restated Effective October 16, 2013)

ARTICLE I
INTRODUCTION AND PLAN PURPOSE

1.1 Purpose. The purpose of the Amgen Inc. Supplemental Retirement Plan (the "Plan") is to provide benefits to employees of Amgen Inc. and certain of its affiliates and subsidiaries whose Matching Contributions and Nonelective Contributions are limited under the Retirement Plan or the AML Plan (each as defined below), whether because of statutory limitations or because of employee deferrals to the Amgen Nonqualified Deferred Compensation Plan (the "NQDC"), or both. Amgen Inc. intends that the Plan will provide benefits to a select group of management or highly compensated employees. The Plan is intended to be an unfunded "top hat" plan meeting the requirements of Sections 201(2), 301(a)(3), 401(a)(1) and 4021(b)(6) of ERISA. The Plan is not intended to be a plan described in Section 401(a) of the Code and/or Section 1081.01(a) or the Puerto Rico Code.

1.2 History and Effective Date. The Plan was established by Amgen Inc. effective as of January 1, 1993, was amended and restated effective January 1, 1998, and again effective November 1, 1999. The Plan was further amended and restated effective January 1, 2005 to document the merger of the Immunex Key Employee Plan with and into this Plan; and further amended and restated, effective January 1, 2009, subject to any earlier date specifically set forth within the Plan, to incorporate amendments adopted after the January 1, 2005 restatement and to adopt provisions intended to comply with Code Section 409A and related Treasury Regulations and guidance. The Plan shall be operated and interpreted in accordance with this intention. The Plan, as set forth herein, is further amended and restated, effective October 16, 2013. If your payments commenced prior to October 16, 2013, or if the Committee determines that all of the events necessary to receive payment have occurred prior to October 16, 2013, you shall receive or continue to receive payments in accordance with the Plan terms in effect on October 15, 2013, to the extent that the Committee determines that doing so would comply with applicable law.

ARTICLE II
DEFINITIONS

For the purposes of this Plan, the following terms, when capitalized, have the following meanings. Any capitalized term in this Plan that is not defined in this Article II has the meaning given such term in the Retirement Plan (or the AML Plan with respect to Puerto Rico Participants).

2.1 Account means the account maintained by the Company in accordance with Article IV with respect to Plan Credits and Earnings.

2.2 Account Balance Plan means any plan, agreement or arrangement of the Company or any of its Affiliates that is an "account balance plan" as defined in Treasury Regulation Section 1.409A-1(c)(2)(A) and (B).

2.3 Affiliate shall mean, with respect to any entity, all other entities with which the subject entity would be aggregated and treated as a single employer under Code Section 414(b) (controlled group of corporations) and Code Section 414(c) (a group of trades or businesses, whether or not incorporated, under common control), as applicable.

2.4 AML Plan means the Savings Plan for Amgen Manufacturing, Limited.

2.5 Beneficiary means the person, persons or entity entitled under Article VI to receive Plan benefits payable in the event of your death.

2.6 Board means the board of directors of Amgen Inc.

2.7 Change of Control Plan means the Amgen Inc. Change of Control Severance Plan, as amended and restated, effective as of December 9, 2010 (and any subsequent amendments thereto).

2.8 Code means the Internal Revenue Code of 1986, as amended from time to time, and any applicable IRS Regulations promulgated thereunder and any successor thereto. References to any section of the Code include reference to any comparable or succeeding provisions or regulations that amends, supplements or replaces the section.

2.9 Committee means the Compensation and Management Development Committee of the Board.

2.10 Company means Amgen Inc. or any subsidiary or affiliate of Amgen Inc. selected by the Board or the Committee to participate in the Plan and excludes any disregarded entity pursuant to Treasury Regulations section 301.7701-3, unless such disregarded entity is selected by the Board or Committee to participate in the Plan.

2.11 Compensation has the same meaning as the term "Deferral Compensation" has under the Retirement Plan (or with respect to Puerto Rico Participants, as the term "Compensation" has under the AML Plan), except that, for purposes of this Plan, Compensation is not limited by the Salary Cap and includes amounts that are deferred into the NQDC.

2.12 Earnings means the amount credited to your Account under Section 4.3 of the Plan.

2.13 Employer means, for the purpose of determining whether you have experienced a Separation from Service, the entity for which you perform services and with respect to which the legally binding right to compensation deferred or contributed under this Plan arises and all of its Affiliates.

2.14 ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.15 Normal Retirement Date means the first day of the month coinciding with or next following your attainment of age 65.

2.16 NQDC means the Amgen Nonqualified Deferred Compensation Plan.

2.17 Plan means this Amgen Inc. Supplemental Retirement Plan.

2.18 Plan Credits means the amount credited to your Account under Section 4.2 and, where applicable, also includes all credits that were made to your Account for periods prior to January 1, 2005.

2.19 Plan Year means a period beginning on January 1 of each calendar year and continuing through December 31 of such calendar year.

2.20 Puerto Rico Code means The Internal Revenue Code for a New Puerto Rico, as amended from time to time, and any applicable regulation thereunder and any successor thereto. Reference to any section or subsection of the Internal Revenue Code for a New Puerto Rico includes reference to any comparable or succeeding provisions that amends, supplements or replaces that section.

2.21 Puerto Rico Participant means each eligible employee who, effective on or after January 1, 2012, is an active participant in the AML Plan.

2.22 Qualifying Termination shall mean your termination of employment within two (2) years following a Change of Control (as defined in the Change of Control Plan) (i) by the Company other than for Cause (as defined in the Change of Control Plan), Disability (as defined in the Change of Control Plan) or as a result of your death, or (ii) by you for Good Reason (as defined in the Change of Control Plan). Your termination of employment will not qualify as a Qualifying Termination if you are not covered by the Change of Control Plan at the time of your termination or if there is no Change of Control Plan in effect at the time of your termination.

2.23 Retirement Plan means the Amgen Inc. Retirement and Savings Plan.

2.24 Salary Cap means the highest level of compensation that can be considered for the purpose of calculating benefits under Section 401(a)(17) of the Code (or Puerto Rico Code Section 1081.01(a)(12) in the case of Puerto Rico Participants).

2.25 Separation from Service means the termination of services that you provide to your Employer, whether voluntarily or involuntarily, as determined by the Committee in accordance with Treasury Regulation Section 1.409A-1(h). In determining whether you have experienced a Separation from Service, the following provisions shall apply:

(a) Except as otherwise provided in Section 2.25(b) below, a Separation from Service shall occur when you experience a termination of employment with your Employer. You will be considered to have experienced a termination of employment when the facts and circumstances indicate that either (i) you are not reasonably expected to perform further services for the Employer after a certain date, or (ii) that the level of bona fide services you will perform for the Employer after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than 49% of the average level of bona fide services that you performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or full period of services to the Employer if you have been providing services to the Employer for less than 36 months).

(b) If you are on military leave, sick leave, or other bona fide leave of absence, the employment relationship between you and the Employer shall be treated as continuing intact, provided that the period of such leave does not exceed six months, or longer, so long as you retain a right to reemployment with the Employer under an applicable statute or by contract. If the period of leave exceeds six months and you do not retain a right to reemployment under an applicable statute or by contract, you will incur a Separation from Service as of the first day immediately following the end of such six-month period. However, where your leave of absence is due to your "disability" (as defined below), a 29-month period of absence will be substituted for such six-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that you will return to perform services for the Employer. For purposes of this Section 2.25(b), "disability" shall mean any medically determinable physical or mental impairment resulting in your inability to perform the duties of your position or any substantially similar position, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less

than six months. The determination of whether you have a disability shall be made by the Employer's short-term disability insurance carrier or administrator (or, if none, by the Committee).

(c) Notwithstanding the foregoing, if you provide services to the Employer as both an employee and a member of the Board, then to the extent permitted by Treasury Regulation Section 1.409A-1(h)(5), the services provided by you as a Board member shall not be taken into account in determining whether you experience a Separation from Service as an employee.

2.26 Spouse means your wife or husband who is lawfully married to you at the time of your death.

2.27 Years of Service means, effective April 1, 2004, a continuous period of employment beginning on your date of hire with the Company and ending on the date your employment with the Company terminates for any reason. You will be credited with one Year of Service for each consecutive 12-month-period beginning on your hire date, and each anniversary thereof, that you remain employed with the Company. If your employment with the Company terminates and you are later rehired, your prior Years of Service under the Plan will be disregarded and your Years of Service for purposes of vesting in your Account after the rehire date will be determined from the date of your rehire until your subsequent termination of employment.

ARTICLE III
ELIGIBILITY AND PARTICIPATION

3.1 Eligibility. You are eligible to receive credits in your Account as provided in Section 4.2 of the Plan during the time you are eligible to participate in the Retirement Plan (or the AML Plan with respect to Puerto Rico Participants) and either your Compensation for the relevant calendar year is in excess of the Salary Cap, or you elect to make a deferral into the NQDC, or both. Effective January 1, 2012, Puerto Rico Participants are eligible to participate (and only on a prospective basis) to the extent they satisfy on or after such date the eligibility requirements under this Section.

3.2 Automatic Participation. Once you satisfy the eligibility requirements under Section 3.1, you will automatically be enrolled in the Plan and eligible to receive Plan Credits under Article IV of the Plan.

3.3 Participation. After you first become eligible, you will continue to participate in the Plan (that is, you will receive Earnings on the balance in your Account) as long as you have not received a distribution of your Account, even if you are no longer eligible to receive Plan Credits under the Plan.

ARTICLE IV
CREDITS TO YOUR ACCOUNT

4.1 Account. For record keeping purposes only, an Account will be established under Section 4.2 below and maintained on your behalf under the Plan. Your Account is a notional account and will be used solely to determine the amounts to be paid to you under the Plan. Your Account will not constitute or be treated as a trust fund for your benefit.

4.2 Credits. For each Plan Year you are eligible, the Company will credit your Account with Plan Credits in an amount equal to (i) ten percent (10%) (nine percent (9%) for Puerto Rico Participants), multiplied by (ii) your Compensation for the Plan Year that is not recognized under the Retirement Plan (or the AML Plan with respect to Puerto Rico Participants) either because it is in excess of the Salary Cap,

or deferred under the NQDC, or both. In addition, if your employment terminates as a result of a Qualifying Termination, the Company may determine, in its sole discretion, to credit an amount determined under the Change in Control Plan to any Plan participant's Account. Notwithstanding anything herein (including Article V) or in the Change of Control Plan to the contrary, any Plan Credits credited to your Account as a result of a Qualifying Termination (and any Earnings thereon) will be paid to you in a lump sum as soon as administratively practicable during the Plan Year immediately following the Plan Year in which your Separation from Service occurs, but in no event more than two and one-half months after the end of the calendar year in which your Separation from Service occurs.

4.3 Earnings. Your Account will be credited with Earnings with respect to the investments of the Plan Credits credited to your Account. Earnings will be credited at the rate declared by the Senior Vice President, Human Resources of Amgen Inc. (or his delegate), acting in such person's sole discretion, after taking into account the investment performance of the investment vehicles selected by the Senior Vice President, Human Resources of Amgen Inc. (or his delegate), or, if the Senior Vice President, Human Resources of Amgen Inc. (or his delegate) permits, selected by you from among the investment vehicles available under the Retirement Plan (or the AML Plan with respect to Puerto Rico Participants), excluding the Amgen Inc. Stock Fund.

4.4 Vesting of Your Account. Your Account will become fully vested upon termination of your employment with the Company (1) on or after (a) your Normal Retirement Date, (b) the date of your Disability, or (c) your death, or (2) that is a Qualifying Termination. If your employment with the Company is terminated for any other reason, your Account will be vested in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 3	0%
3 or more	100%

Notwithstanding the foregoing vesting schedule, if a portion of your Compensation for a Plan Year consists of amounts that were deferred under the NQDC, then a portion of that Plan Year's Plan Credits in an amount equal to (i) 10% (nine percent (9%) for Puerto Rico Participants), multiplied by (ii) the amount of Compensation deferred under the NQDC that would have been taken into account under the Retirement Plan (or the AML Plan with respect to Puerto Rico Participants) if it had not been deferred, shall be immediately vested.

Any portion of your Account that is not vested on your termination of employment will be permanently forfeited. All Accounts will be subject to the creditors of the Company in the event of the insolvency of the Company.

4.5 Payroll Taxes Upon Vesting. When any portion of your Account becomes vested and nonforfeitable, the Company shall withhold from your current Compensation, in a manner determined by the Company, your share of employment taxes under the Federal Insurance Contribution Act (FICA) and other applicable employment taxes. If necessary, and in accordance with Section 5.5(c) below, the Company may reduce the vested and nonforfeitable portion of your Account to comply with this Section 4.5.

4.6 Determination of Accounts. Your Account will consist of all your credited Plan Credits and Earnings.

4.7 Statement of Accounts. Prior to March 1 of each year or at such other time as determined by the Committee, the Committee will distribute statements to you showing the balance of your Account.

ARTICLE V
DISTRIBUTIONS

5.1 Distributions. Following your Separation from Service, the Company will pay you the vested balance of your Account under the Plan. The distribution of your Account will be paid to you in a lump-sum payment as soon as administratively practicable during the Plan Year immediately following the Plan Year in which such Separation from Service occurs, unless you have elected on an election form provided by the Committee, within the time and manner described below, to receive either (i) a lump-sum payment as soon as administratively practicable in the second Plan Year following the Plan Year in which your Separation from Service occurs, or (ii) installment payments described in Section 5.2. Any election pursuant to this Section 5.1 must be made within 30 days after the date that you become eligible to participate in the Plan, provided that you have not been eligible to participate in this Plan or in any other plan that would be aggregated with this Plan under Treasury Regulation Section 1.409A-1(c) at any time during the 24-month period ending on the date you became eligible to participate in the Plan, and be made in accordance with Treasury Regulation Section 1.409A-2(a)(7).

Notwithstanding anything in Article V to the contrary, the time and form of payment of any Plan Credits resulting from a Qualifying Termination (and any Earnings thereon), which will be treated as a right to receive a separate and distinct payment, shall be paid to you pursuant to and be governed by Section 4.2.

5.2 Installment Payments. Installment payments will be paid in substantially equal annual payments, commencing as soon as administratively practicable in the Plan Year immediately following the Plan Year in which you experience a Separation from Service for up to a ten-year period, and ending in the Plan Year that you specify on an election form provided by the Committee. However, if your aggregate account balance under all Account Balance Plans is $100,000 or less upon your Separation from Service, your election to receive installment payments will be disregarded and your vested Account will be paid to you as a lump-sum payment as soon as administratively practicable in the Plan Year immediately following the Plan Year in which you incur a Separation from Service. For purposes of this Plan, (i) under the substantially equal annual payments method, the amount of each annual payment shall be calculated by multiplying your Account balance as of the end of the prior Plan Year by a fraction, the numerator of which is one and the denominator of which is the remaining number of annual payments due, and (ii) the right to receive a benefit payment in annual installments shall be treated as the entitlement to a single payment.

5.3 Distribution Election Changes. With respect to your distribution election made pursuant to this Article V, you may extend the payment date and/or change the form of payment initially designated (or subsequently designated pursuant to this Section 5.3), provided that: (i) the new distribution election shall have no effect until at least 12 months after the date on which such election is made (e.g., must be made at least 12 months before your Separation from Service), (ii) the payment date must be at least five years after the previously designated payment date and must involve completion of all payments not later than the end of the Plan Year that includes the twenty-year anniversary of your Separation from Service, and (iii) the election must be made at least 12 months prior to the previously designated payment date. The “previously designated payment date” in the preceding sentence shall be January 1 of the Plan Year in which the payment was scheduled to occur (based on the last election in effect), which, in the case of installment payments, shall include only the first installment payment.

5.4 Six-Month Delayed Payment. If, at the time of your Separation from Service, you are a "specified employee" (within the meaning of Section 409A of the Code and Treasury Regulation Section 1.409A-1(i)), the Company will not pay or provide any "Specified Benefits" (as defined herein) during the six-month period beginning with the date of your Separation from Service (the "409A Suspension Period"). In the event of your death, however, the Specified Benefits shall be paid to your Beneficiary without regard to the 409A Suspension Period. For purposes of this Plan, "Specified Benefits" are any amounts that would be subject to Section 409A additional taxes if the Company were to pay them, pursuant to this Plan, on account of your Separation from Service. During the 409A Suspension Period, your Account will continue to be credited or debited in accordance with Section 4.3 above until your Account is distributed. Within 14 calendar days after the end of the 409A Suspension Period, you shall be paid a lump-sum payment in cash equal to any Specified Benefits delayed during the 409A Suspension Period.

5.5 Accelerated Distributions. Distributions may not be accelerated, except as provided in this Section 5.5 and in Section 8.2. Distributions may be accelerated under the following circumstances:

(a) You have elected to receive any payments under the installment method and subsequently elect to change from installments to a lump-sum distribution, provided the change in the distribution election satisfies the requirements set forth in Section 5.3 or 6.5.

(b) You become liable for FICA taxes with respect to any portion of your Account, provided that if an accelerated distribution is made pursuant to this paragraph, the amount distributed shall not exceed the aggregate of the FICA taxes imposed on your Account plus any income tax withholding required for the FICA withholdings.

(c) The Plan fails to meet the requirements of Code Section 409A with respect to any portion of your Account, provided that if an accelerated distribution is made pursuant to this paragraph, the amount that shall be distributed shall not exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

(d) If there is an inclusion in income under Section Code 457A with respect to any portion of your Account, such inclusion is treated as a payment for purposes of the short-term deferral rule under §1.409A-1(b)(4). If the short-term deferral rule under §1.409A-1(b)(4) is satisfied, the amount included in income will be distributed to you during the taxable year in which such income inclusion occurs. If the short-term deferral rule under §1.409A-1(b)(4) is not satisfied, the amount included in income will be accelerated to the extent permitted under applicable IRS guidance.

5.6 Delayed Distributions. Except as provided in Sections 5.3, 5.4, 6.5, and this Section 5.6, payments may not be delayed. Distributions may be delayed under the following circumstances:

(a) If the Company reasonably anticipates that the Company's deduction with respect to any distribution from this Plan would be limited or eliminated by application of Code Section 162(m), then to the extent permitted by Treasury Regulation Section 1.409A-2(b)(7)(i), payment shall be delayed as deemed necessary to ensure that the entire amount of any distribution from this Plan is deductible. Any amounts for which distribution is delayed pursuant to this Section shall continue to be credited or debited with additional amounts in accordance with Section 4.3. The delayed amounts (as adjusted for any amounts credited or debited thereon) shall be distributed to you (or your Beneficiary in the event of your death) at the earliest date the Company reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of Code Section

162(m).

(b) The Committee may delay payment if it reasonably anticipates that making the payment would violate federal securities laws or other applicable law, provided the Company treats all payments to similarly situated Plan participants on a reasonably consistent basis and the payment is made at the earliest date at which the Committee reasonably anticipates that the making of the payment will not cause a violation.

5.8 Withholding Payroll Taxes. The Company (or the Company's designee) will withhold any taxes required to be withheld from payments made from the Plan to satisfy any federal, state, or local requirements regarding tax withholding.

5.9 Payments to Incompetents. Whenever and as often as any person entitled to receive a distribution under the Plan shall be under a legal disability or, in the sole judgment of the Committee, shall otherwise be unable to care for such distributions to the person's own best interest and advantage, the Committee, in the exercise of its discretion, may direct such distributions to be made in any one or more of the following ways:

(a) directly to such person;

(b) to such person's spouse;

(c) to such person's legal guardian or conservator; or

(d) to any other person to be held and used for such person's benefit.

The decision of the Committee shall, in each case, be final and binding upon all parties, and any distribution made pursuant to the power herein conferred on the Committee shall, to the extent so made, be a complete discharge of the obligations under the Plan of the Company and the Committee with respect to such person.

ARTICLE VI
BENEFICIARY DESIGNATION

6.1 Beneficiary Designation. Your Beneficiary under the Plan will be the same Beneficiary you select under the Retirement Plan (or the AML Plan with respect to Puerto Rico Participants). If you change your Beneficiary designation under the Retirement Plan (or the AML Plan with respect to Puerto Rico Participants), your Beneficiary designation under the Plan will automatically change as well.

6.2 No Beneficiary Designation. If you fail to designate a Beneficiary under the Retirement Plan (or the AML Plan with respect to Puerto Rico Participants), or if the Beneficiary you designate dies before you or before complete distribution of your Plan benefits, your designated Beneficiary will be the first of the following classes in which there is a survivor:

(a) your surviving Spouse;

(b) your children, except if any of the children predecease you but leave surviving issue, then such issue will take by right of representation the share the parent would have taken if living;

(c) your estate.

6.3 Death Before Commencement of Benefits. Subject to Section 6.5, any amounts payable to your Beneficiary under the Plan shall be paid in a lump sum unless you elect on an election form provided by the Committee, within the time and manner set forth in Section 5.1, for such amounts to be payable in substantially equal annual installment payments for up to a ten-year period. Notwithstanding anything herein to the contrary, if your aggregate account balance under all Account Balance Plans is $100,000 or less upon your death, any election you made to receive installment payments will be disregarded and the portion of your vested Account that was subject to the election will be paid to your Beneficiary as a lump-sum payment. Any lump-sum payment made pursuant to this Section 6.3 or Section 6.5 shall be made, or installment payments shall commence, within 60 days of your death. For purposes of this Plan, the right to receive a benefit payment in annual installments shall be treated as the entitlement to a single payment.

6.4 Death After Commencement of Benefits. If you die after installment payments have commenced but before your Account is paid in full, your remaining installment payments shall continue and shall be paid to your Beneficiary over the remaining number of years and in the same amounts as payments would have been made to you had you survived.

6.5 Distribution Election Changes. With respect to your distribution election made pursuant to this Article VI, you may change the form of payment initially designated (or subsequently designated pursuant to this Section 6.3), provided that: (i) the new distribution election shall have no effect until at least 12 months after the date on which such election is made (e.g., must be made at least 12 months before your Separation from Service), (ii) the payment date must involve completion of all payments not later than the end of the Plan Year that includes the ten-year anniversary of your death, and (iii) the election must be made at least 12 months prior to the previously designated payment date. The "previously designated payment date" in the preceding sentence shall be January 1 of the Plan Year in which the payment was scheduled to occur (based on the last election in effect), which, in the case of installment payments, shall include only the first installment payment.

6.6 Effect of Payment. The distribution to your Beneficiary completely discharges the Company's obligations under this Plan. Notwithstanding anything in the Plan to the contrary, if payment of a Participant's benefits under this Plan is made to any person in excess of the amount which is due and payable under the Plan for any reason (including, without limitation, the continuation of payments after the death of a Participant or Beneficiary entitled to them), the Committee shall have full authority, in its sole and absolute discretion, to reduce future benefits payable under the Plan (including amounts payable to a surviving Spouse) to reflect the value of the excess payment.

ARTICLE VII
ADMINISTRATION

7.1 Committee; Duties. This Plan is administered by the Committee, or its duly appointed delegate or delegates (including the Claims Reviewer and Appeals Reviewer with respect to benefit claims), who may or may not be employees of the Company. The Committee (or its delegates) shall have all rights, powers and authority with respect to the administration and operation of the Plan, including, without limitation (i) the sole discretion and authority to make such rules, interpretations and computations and shall take such other actions to administer the Plan as it may deem appropriate, (ii) the sole discretion and authority to interpret the Plan and conclusively to determine all questions arising under the Plan, including questions relating to eligibility and benefits, and (iii) the power to maintain and keep adequate records concerning the Plan and its proceedings and acts in such form and detail as the Committee may decide; provided, however, nothing in this Section 7.1 shall be construed to impose any fiduciary duty on the Committee or its delegates under ERISA. The decisions or actions of the Committee (or its delegates) with respect to

any question arising out of or in connection with the administration, interpretation or application of the Plan and the rules or regulations promulgated hereunder will be final, conclusive and binding upon all persons having any interest in the Plan.

7.2 Indemnity of Committee. The Company will indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan, except in the case of the Committee's gross negligence or willful misconduct.

7.3 Claims Procedures

(a) Applications for Benefits. Any application for benefits under the Plan shall be submitted to the person or persons ("Claims Reviewer") to whom the responsibility to adjudicate claims under the Plan has been delegated by the Senior Vice President, Human Resources of Amgen Inc. (as delegate of the Committee) at the Company's principal office. Such application shall be in writing on the prescribed form and shall be signed by the applicant. All claims must be made within 180 days of the event that gives rise to a claim for benefits, including, without limitation, the receipt of a benefit statement that is labeled as a final determination (or labeled in terms substantially similar) of the applicant's benefits (or the applicant's right to benefits) as of a certain date or states that a claim for benefits may be filed within 180 days.

(b) Denial of Applications. In the event that any application for benefits is denied in whole or in part, the Claims Reviewer shall notify the applicant in writing or electronically of the right to a review of the denial. Such written notice shall set forth, in a manner calculated to be understood by the applicant, specific reasons for the denial, specific references to the Plan provisions on which the denial was based, a description of any information or material necessary to perfect the application, an explanation of why such material is necessary, an explanation of the Plan's review procedure, and a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. Such notice shall be given to the applicant within 90 days after the Claims Reviewer receives the application, unless special circumstances require an extension of time for processing the application. In no event shall such an extension exceed a period of 90 days from the end of the initial 90 day period. If such an extension is required, written notice thereof shall be furnished to the applicant before the end of the initial 90 day period. Such notice shall indicate the special circumstances requiring an extension of time and the date by which the Claims Reviewer expects to render a decision. If notice is not given to the applicant within the period prescribed by this Section 7.3(b), the application shall be deemed to have been denied for purposes of Section 7.3(d) upon the expiration of such period.

(c) Requests for Review. Any person whose application for benefits is denied in whole or in part (or such person's duly authorized representative) may appeal the denial by submitting to the Senior Vice President, Human Resources of Amgen Inc. ("Appeals Reviewer") a request for a review of such application within 90 days after receiving written notice of the denial. The Appeals Reviewer shall give the applicant or such representative an opportunity to review pertinent documents (except legally privileged materials) in preparing such request for review and to submit issues and comments in writing. The request for review shall be in writing and shall be addressed to the Company's principal office. The request for review shall set forth all of the grounds on which it is based, all facts in support of the request, and any other matters which the applicant deems pertinent. The Appeals Reviewer may require the applicant to

submit such additional facts, documents or other material as it may deem necessary or appropriate in making its review.

(d) Decisions on Review. The Appeals Reviewer shall act upon each request for review within 60 days after receipt thereof, unless special circumstances require an extension of time for processing, but in no event shall the decision on review be rendered more than 120 days after the Appeals Reviewer receives the request for review. If such an extension is required, written notice thereof shall be furnished to the applicant before the end of the initial 60 day period. The Appeals Reviewer shall give prompt, written or electronic notice of its decision to the applicant and to the Company. In the event that the Appeals Reviewer confirms the denial of the application for benefits in whole or in part, such notice shall set forth, in a manner calculated to be understood by the applicant, the specific reasons for such denial, specific references to the Plan provisions on which the decision is based, and a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. To the extent that the Appeals Reviewer overrules the denial of the application for benefits, such benefits shall be paid to the applicant.

(e) Rules and Procedures. The Claims Reviewer and the Appeals Reviewer shall adopt such rules and procedures, consistent with ERISA and the Plan, as they deems necessary or appropriate in carrying out their responsibilities under this Section 7.3.

(f) Exhaustion of Administrative Remedies. No legal or equitable action for benefits under the Plan shall be brought unless and until the claimant (i) has submitted a written application for benefits in accordance with Section 7.3(a); (ii) has been notified that the application is denied; (iii) has filed a written request for a review of the application in accordance with Section 7.3(c); and (iv) has been notified in writing or electronically that the Appeals Reviewer has affirmed the denial of the application. If the claimant has entered into an arbitration agreement with the Company, the provisions of that arbitration agreement will govern following the claimant's compliance with the foregoing provisions of this Section 7.3, and shall be the sole and exclusive remedy following compliance with the foregoing provisions. No arbitration or civil action for benefits under the Plan may be brought more than one year following the notification that the appeal was denied in whole or in part, or the event that gave rise to the claim for benefits (including, without limitation, receipt of a benefit statement that is labeled as a final determination (or labeled in terms substantially similar) of your benefits as of a certain date or states you may file a claim for benefits within 180 days), whichever is later. If no arbitration agreement is applicable, any legal or equitable action for benefits under the Plan must be brought in the United States District Court that includes the city or is nearest to the city in which the participant was last employed by the Company.

ARTICLE VIII
AMENDMENT AND TERMINATION OF PLAN

8.1 Plan Amendment.

(a) Generally. The Committee may at any time and for any reason amend the Plan in whole or in part. No amendment may decrease or restrict the amount accrued in any Account maintained under the Plan through the date of amendment.

(b) Amendment for 409A Compliance. This Plan is intended to comply with Section 409A of the Code, and the Company shall have complete discretion to interpret and construe this Plan and any associated documents in any manner that establishes an exemption from or

otherwise conforms them to the requirements of Section 409A. If, for any reason including imprecision in drafting, any Plan provision does not accurately reflect its intended establishment of an exemption from or compliance with Section 409A of the Code, as demonstrated by consistent interpretations or other evidence of intent, the provision shall be considered ambiguous and shall be interpreted by the Company in a fashion consistent herewith, as determined in the sole and absolute discretion of the Company. The Company reserves the right to unilaterally amend this Plan without your consent in order to accurately reflect its correct interpretation and operation, as well as to maintain an exemption from or compliance with Section 409A of the Code.

8.2 Company's Right to Terminate. Although the Company anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that the Company will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, by action of its Board of Directors or the Committee, the Company reserves the right to discontinue its sponsorship of the Plan and to terminate the Plan at any time in accordance with one of the following circumstances set forth in subsections (a) through (c) below and in Treasury Regulation Section 1.409A-3(j)(4)(ix):

(a) The Company may terminate the Plan if the termination and liquidation is not proximate to a downturn in the Company's financial health and:

(i) The Plan and all other plans maintained by the Company that would be aggregated with the Plan under Treasury Regulation Section 1.409A-1(c) are irrevocably terminated;

(ii) No payments other than payments that would otherwise be payable under the terms of the Plan are made within 12 months following the date the Company takes all necessary actions to terminate and liquidate the Plan;

(iii) Except with respect to the participants who became entitled to benefits under the terms of the Plan and any other plan maintained by the Company that would be aggregated with the Plan under Treasury Regulation Section 1.409A-1(c) within the first 12 months following the date such plans are irrevocably terminated, all payments to the participants due under the terms of such plans must be made between the first day of the 13th month and the last day of the 24th month following the date such plans terminated; and

(iv) The Company does not adopt a plan that would be aggregated with this Plan under Treasury Regulation Section 1.409A-1(c) within three years following the date the Plan is terminated.

(b) The Company terminates and liquidates the Plan pursuant to irrevocable action taken within 30 days preceding or 12 months following a "change in control event" (defined below), provided that the Plan and all other plans maintained by the Company that would be aggregated with the Plan under Treasury Regulation Section 1.409A-1(c) are terminated on the same date with respect to each participant in such plans that experienced the "change in control event," and all such participants receive all benefits payable under such plans within 12 months following the termination date. For purposes of this Section 8.2(b), "change in control event" shall have the meaning set forth in Treasury Regulation Section 1.409A-3(i)(5).

(c) The Company terminates and liquidates the Plan within 12 months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court pursuant to 11

U.S.C. § 503(b)(1)(A), provided that all benefits payable under the Plan are distributed to participants during the earlier of (i) the taxable year in which the amount is actually or constructively received, or (ii) the latest of the calendar year in which (a) the Plan is terminated and liquidated; (b) the benefits are no longer subject to a substantial risk of forfeiture; or (c) the payment first becomes administratively practicable.

ARTICLE IX
MISCELLANEOUS

9.1 Unfunded Plan. This Plan is intended to be an unfunded plan for tax law purposes and for purposes of Title I of ERISA, maintained primarily to provide benefits for a select group of management or highly compensated employees. This Plan is not intended to create an investment contract, but to provide tax planning opportunities and retirement benefits to participants in the Plan.

9.2 Unsecured General Creditor. Neither you nor your Beneficiaries, heirs, successors and assigns will have any legal or equitable rights, interest or claims in any property or assets of the Company, nor will they be beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Company. Such policies or other assets of the Company will not be held under any trust for your benefit or that of your Beneficiaries, heirs, successors or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all of the Company's assets and policies will be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan will be that of an unfunded and unsecured promise of the Company to pay money in the future.

9.3 Trusts. The Company will pay all Plan benefits. At its discretion, the Company may establish one or more trusts, with such trustees as the Board may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof will be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company will have no further obligation with respect thereto, but to the extent not so paid, such benefits will remain the obligation of, and paid by, the Company.

9.4 Code Section 409A. Except to the extent specifically provided within this Plan or any separate written agreement between you and the Employer, you shall be solely responsible for the satisfaction of any taxes with respect to the benefits payable to you under this Plan (including, but not limited to, employment taxes imposed on employees and additional taxes on nonqualified deferred compensation). Although the Company intends and expects that the Plan and its payments and benefits will not give rise to taxes imposed under Section 409A of the Code, neither the Company, nor its employees, directors, or agents shall have any obligation to mitigate or to hold you harmless from any or all of such taxes.

9.5 Nonassignability. Neither you nor any other person may commute, sell, assign, transfer, hypothecate or convey in advance of actual receipt any or all of the amounts payable hereunder, which are expressly declared to be nonassignable and nontransferable. No part of the amounts payable will, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by you or any other person (other than amounts owed to the Company's creditors in the event of the Company's insolvency), nor be transferable by operation of law in the event of the bankruptcy or insolvency of you or any other person (other than the Company).

9.6 Not a Contract of Employment. The terms and conditions of this Plan may not be construed to constitute a contract of employment between you and the Company, and you (or your Beneficiary) will have no rights against the Company except as otherwise specifically provided herein. Moreover, nothing

in this Plan will be deemed to give you the right to be retained in the service of the Company as an employee or otherwise, or to interfere with the right of the Company to discipline or discharge you at any time.

9.7 Cooperation. You are required to cooperate with the Company by furnishing any and all information requested by the Company in order to facilitate the payment of benefits hereunder.

9.8 Terms. Whenever words are used in this Plan in the masculine they will be construed as though they were used in the feminine in all cases where they would so apply; and whenever any words are used in this Plan in the singular or in the plural, they will be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

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9.9 Captions. The captions of the articles, sections and paragraphs of this Plan are for convenience only and do not control or affect the meaning or construction of any of its provisions.

9.10 Governing Law. Subject to ERISA and the Code, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of California without regard to its conflict of laws principles.

9.11 Validity. In case any provision of this Plan is found to be held illegal or invalid for any reason, said illegality or invalidity will not affect the remaining parts hereof, but this

IN WITNESS WHEREOF, the Company has signed this amended and restated Plan document as of October 18, 2013.

"Company"

Amgen Inc., a Delaware corporation

By: /s/ BRIAN MCNAMEE

Title: Senior Vice President, Human Resources

APPENDIX A

Participating Subsidiaries and Affiliates of Amgen Inc.

1. Amgen USA Inc. - January 1, 2002
2. Immunex Corporation - January 1, 2003
3. Immunex Manufacturing Corporation - January 1, 2003
4. Immunex Rhode Island Corporation - January 1, 2003
5. Amgen Worldwide Services, Inc. - January 1, 2004
6. Amgen SF, LLC - January 1, 2005
7. BioVex, Inc. - April 11, 2011
8. Amgen Manufacturing, Limited - January 1, 2012
9. Amgen Rockville, Inc. (formerly Micromet, Inc.) - June 18, 2012
10. KAI Pharmaceuticals, Inc. - August 27, 2012
11. Onyx Pharmaceuticals, Inc. - January 1, 2014

Exhibit 10.15

Amgen Nonqualified Deferred Compensation Plan

As Amended and Restated Effective October 16, 2013

TABLE OF CONTENTS

AMGEN NONQUALIFIED DEFERRED COMPENSATION PLAN

As Amended and Restated Effective October 16, 2013

Purpose

The purpose of this Plan is to provide specified benefits to a select group of management or highly compensated Employees who contribute materially to the continued growth, development and future business success of Amgen Inc., a Delaware corporation, and its subsidiaries, if any, that sponsor this Plan. This Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA.

The Plan was amended and restated, generally effective as of January 1, 2009, in order to comply with Code Section 409A and related Treasury Regulations, and to incorporate prior amendments. The Plan, as set forth herein, is further amended and restated, effective as of October 16, 2013, to incorporate amendments adopted after the last restatement and make certain other desired changes. If a Participant's payments commenced prior to October 16, 2013, or if the Committee determines that all of the events necessary to receive payment have occurred prior to October 16, 2013, the Participant shall receive or continue to receive payments in accordance with the Plan terms in effect on October 15, 2013, to the extent that the Company determines that doing so would comply with applicable law.

ARTICLE 1
Definitions

For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

1.1 "**Account Balance**" shall mean, with respect to a Participant, a credit on the records of the Employer equal to the sum of (i) the Deferral Account balance and (ii) the vested Company Contribution Account balance. The Account Balance and each other specified account balance, shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.

1.2 "**Account Balance Plan**" shall mean any plan, agreement or arrangement of the Company or an Employer that is an "account balance plan" as defined in Treasury Regulation Section 1.409A-1(c)(2)(A) and (B).

1.3 "**Annual Base Salary**" shall mean a Participant's compensation consisting only of regular salary paid by any Employer for services rendered during the Plan Year and excluding any other compensation. With respect to any member of the Board, Annual Base Salary shall mean the member's annual retainer, chair fees, Board meeting fees, and meeting fees for any committee of the Board.

1.4 "**Annual Bonus**" shall mean any compensation earned by a Participant during a Plan Year that constitutes a commission paid to a salesperson or that is paid pursuant to the Amgen Global Management Incentive Plan (GMIP), the Amgen Inc. Executive Incentive Plan (EIP), or an equivalent bonus program. All other compensation is excluded from the definition of Annual Bonus.

1.5 "**Annual Company Contribution Amount**" shall mean, for any one Plan Year, the amount determined in accordance with Section 3.5.

1.6 "**Annual Deferral Amount**" shall mean that portion of a Participant's Annual Base Salary or Annual Bonus, as applicable, that a Participant elects to have, and is, deferred in accordance with Article 3, for any one Plan Year.

1.7 "**Annual Installment Method**" shall mean the method used to make payments with respect to a Participant who has elected to receive a benefit over a period of years. Under the Annual Installment Method, the amount of each annual payment due to a Participant (or Beneficiary) shall be calculated by multiplying the Participant's Account Balance as of the most recent Valuation Date by a fraction, the numerator of which is one and the denominator of which is the remaining number of annual payments due the Participant (or Beneficiary). By way of example, if the Participant elects a ten-year Annual Installment Method, the first payment shall be 1/10 of the Account Balance as of the most recent Valuation Date. The following year, the payment shall be 1/9 of the Account Balance as of the most recent Valuation Date. For purposes of this Plan, the right to receive a benefit payment in annual installments shall be treated as the entitlement to a single payment.

1.8 "**Beneficiary**" shall mean one or more persons, trusts, estates or other entities, designated in accordance with the terms of the Plan or otherwise entitled to receive benefits under this Plan upon the death of a Participant.

1.9 "**Beneficiary Designation Form**" shall mean the written or electronic form established from time to time by the Committee that a Participant completes and returns to the Committee to designate one or more Beneficiaries.

1.10 "**Board**" shall mean the board of directors of the Company.

1.11 "**Change of Control**" shall have the meaning set forth in the Amgen Inc. Change of Control Severance Plan, as it may be amended from time to time.

1.12 "**Claimant**" shall have the meaning set forth in Section 13.1.

1.13 "**Code**" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and any applicable IRS Regulations promulgated thereunder and any successor thereto. References to any section of the Code include reference to any comparable or succeeding provisions or regulations that amends, supplements or replaces the section.

1.14 "**Committee**" or "**Compensation Committee**" shall mean the Compensation and Management Committee of the Board.

1.15 "**Company**" shall mean Amgen Inc., and any successor to all or substantially all of the Company's assets or business and it shall exclude any disregarded entity pursuant to Treasury Regulations Section 301.7701-3, unless such disregarded entity is selected by the Board or Committee to participate in the Plan.

1.16 "**Company Contribution Account**" shall mean (i) the sum of the Participant's Annual Company Contribution Amounts, plus (ii) amounts credited (net of amounts debited) in accordance with all the applicable crediting provisions of this Plan that relate to the Participant's Company Contribution Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Company Contribution Account.

1.17 "**Deferral Account**" shall mean (i) the sum of all of a Participant's Annual Deferral Amounts, plus (ii) amounts credited (net of amounts debited) in accordance with all the applicable provisions of this Plan that relate to the Participant's Deferral Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Deferral Account.

1.18 "**Disability**" shall mean any medically determinable physical or mental impairment resulting in a Participant's inability to perform the duties of his or her position or any substantially similar position, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less than six months. The determination of whether a Participant has a Disability shall be made by the Employer's short-term disability insurance carrier or administrator (or, if none, by the Committee).

1.19 "**Election Form**" shall mean the written or electronic form established from time to time by the Committee that a Participant completes and returns to the Committee to make an election under the Plan.

1.20 "**Employee**" shall mean a person whom an Employer classifies as an Employee for payroll tax or tax reporting purposes.

1.21 "**Employer**" shall be defined as follows:

(a) Except as otherwise provided in part (b) of this Section, the term "Employer" shall mean the Company and/or any of its subsidiaries or affiliates (now in existence or hereafter formed or acquired) that have been selected by the Board to participate in the Plan, through designation in Appendix A of the Plan, and have adopted the Plan by permitting their Employees to participate in the Plan.

(b) For the purpose of determining whether a Participant has experienced a Separation From Service, the term "Employer" shall mean the entity for which the Participant performs services and with respect to which the legally binding right to compensation deferred or contributed under this Plan arises. In addition, the term "Employer" shall include all other entities with which the entity described in the preceding sentence would be aggregated and treated as a single employer under Code Section 414(b) (controlled group of corporations) and Code Section 414(c) (a group of trades or businesses, whether or not incorporated, under common control), as applicable.

1.22 "**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.23 "**401(k) Plan**" shall mean the Amgen Retirement and Savings Plan adopted by the Company, as it may be amended from time to time.

1.24 "**Participant**" shall mean any Employee (i) who is selected by the Committee from among the highly compensated or management employees of the Employer to participate in the Plan, through designation in Appendix B attached to the Plan, (ii) who elects to participate in the Plan (or has an amount credited to his or her Company Contribution Account), (iii) who signs a Plan Agreement and an Election Form (with respect to any Annual Deferral Amount), (iv) whose signed Plan Agreement and Election Form are accepted by the Committee, (v) who commences participation in the Plan, and (vi) whose Plan participation has not terminated by virtue of a complete distribution of his or her

Account Balance. In addition, a Participant shall mean any member of the Board (i) who elects to participate in the Plan (or has an amount credited to his or her Company Contribution Account), (ii) who signs a Plan Agreement and an Election Form (with respect to any Annual Deferral Amount), (iii) whose signed Plan Agreement and Election Form are accepted by the Committee, (iv) who commences participation in the Plan, and (v) whose Plan participation has not terminated by virtue of a complete distribution of his or her Account Balance. A spouse or former spouse of a Participant shall not be treated as a Participant in the Plan or have an Account Balance under the Plan, even if he or she has an interest in the Participant's benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.

1.25 "**Plan**" shall mean the Amgen Nonqualified Deferred Compensation Plan, as amended and restated effective October 16, 2013, which shall be evidenced by this instrument and by each Plan Agreement, as they may be amended from time to time.

1.26 "**Plan Agreement**" shall mean a written agreement, as may be amended from time to time, which is entered into by and between an Employer and a Participant. Each Plan Agreement executed by a Participant and the Participant's Employer shall provide for the entire benefit to which such Participant is entitled under the Plan; should there be more than one Plan Agreement, the Plan Agreement bearing the latest date of acceptance by the Employer shall supersede all previous Plan Agreements in their entirety and shall govern such entitlement. The terms of any Plan Agreement may be different for any Participant, and any Plan Agreement may provide additional benefits not set forth in the Plan or limit the benefits otherwise provided under the Plan; provided, however, that any such additional benefits or benefit limitations must be agreed to by both the Employer and the Participant.

1.27 "**Plan Year**" shall mean a period beginning on January 1 of each calendar year and continuing through December 31 of such calendar year.

1.28 "**Separation from Service**" shall mean the termination of services provided by a Participant to his or her Employer, whether voluntarily or involuntarily, as determined by the Committee in accordance with Treasury Regulation Section 1.409A-1(h). In determining whether a Participant has experienced a Separation from Service, the following provisions shall apply:

(a) For a Participant who provides services to the Employer as an Employee, except as otherwise provided in Section 1.28(b), a Separation from Service shall occur when such Participant experiences a termination of employment with such Employer. A Participant shall be considered to have experienced a termination of employment when the facts and circumstances indicate that either (i) the Participant is not reasonably expected to perform further services for the Employer after a certain date, or (ii) that the level of bona fide services the Participant will perform for the Employer after such date (whether as an Employee or as an independent contractor) will permanently decrease to no more than 49% of the average level of bona fide services performed by such Participant (whether as an Employee or an independent contractor) over the immediately preceding 36-month period (or full period of services to the Employer if the Participant has been providing services to the Employer for less than 36 months).

(b) If a Participant is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between the Participant and the Employer shall be treated as continuing intact, provided that the period of such leave does not exceed six months, or longer, so long as the Participant retains a right to reemployment with the Employer under an applicable statute or by contract. If the period of leave exceeds six months and the Participant

does not retain a right to reemployment under an applicable statute or by contract, the Participant will incur a Separation from Service as of the first day immediately following the end of such six-month period. However, where a Participant's leave of absence is due to his or her Disability, a 29-month period of absence will be substituted for such six-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Employer.

(c) Notwithstanding the foregoing, if a Participant who provides services to the Employer as both an Employee and a member of the Board, then to the extent permitted by Treasury Regulation Section 1.409A-1(h)(5), the services provided by such Participant as a Board member shall not be taken into account in determining whether the Participant experiences a Separation from Service as an Employee, and the services provided by such Participant as an Employee shall not be taken into account in determining whether the Participant has experienced a Separation from Service as a Board member.

1.29 "**Short-Term Payout**" shall mean the payout set forth in Section 4.1.

1.30 "**Trust**" shall mean one or more trusts established pursuant to that certain Trust Agreement, dated as of January 1, 2002 between the Company and the trustee named therein, as amended from time to time.

1.31 "**Unforeseeable Financial Emergency**" shall mean an unanticipated emergency that is caused by an event beyond the control of the Participant that would result in severe financial hardship to the Participant resulting from (i) a sudden and unexpected illness or accident of the Participant, or the Participant's spouse, Beneficiary, or dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)), (ii) a loss of the Participant's property due to casualty, or (iii) another similar extraordinary and unforeseeable circumstance arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Committee, consistent with Treasury Regulation Section 1.409A-3(i)(3).

1.32 "**Valuation Date**" shall mean the last day of each Plan Year or any other date as of which the Committee, in its sole discretion, designates as a Valuation Date.

ARTICLE 2
Selection/Enrollment/Eligibility

2.1 **Selection by Committee**. Participation in the Plan shall be limited to a select group of Employees of the Employers, each of whom is a member of management or is highly compensated, and to members of the Board. From the group of employees who are management or highly compensated, the Committee shall select, in its sole discretion, Employees to participate in the Plan, and they shall be designated on Appendix B.

2.2 **Enrollment Requirements**. As a condition to participation, each member of the Board and selected Employee shall complete, execute, and return to the Committee a Plan Agreement and an Election Form (with respect to any Annual Deferral Amount), all within the timeframes set forth in Section 3.2. In addition, the Committee may establish from time to time such other enrollment requirements as it determines in its sole discretion are necessary.

2.3 **Eligibility/Commencement of Participation**. Provided an Employee selected to participate in the Plan or member of the Board has met all enrollment requirements set forth in this Plan and required by the Committee, including returning all required documents to the Committee within the specified time period set forth in Section 2.2, that Employee or Board member shall commence participation in the Plan on the first day of the month following the month in which he or she completes all enrollment requirements or such other date specified by the Committee.

2.4 **Termination of Participation and/or Deferrals**. If the Committee determines in good faith that a Participant no longer qualifies as a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA, the Committee shall have the right, in its sole discretion, to prevent the Participant from making future deferral elections in a subsequent Plan Year.

ARTICLE 3
Deferral Commitments/Company Matching/Crediting/Taxes

3.1 **Maximum Deferrals.**

(a) **Annual Base Salary and Annual Bonus**. For each Plan Year, a Participant may elect to defer, as his or her Annual Deferral Amount, Annual Base Salary or Annual Bonus up to the following maximum percentages for each deferral elected as determined by the Committee for each Plan Year:

Deferral	Maximum Percentage
Annual Base Salary	50%
Annual Bonus	80%

(b) Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, the maximum Annual Deferral Amount, with respect to Annual Base Salary and Annual Bonus shall be based on the amount of compensation not yet earned by the Participant as of the date the Participant submits a Plan Agreement and an Election Form to the Committee for acceptance.

(c) Notwithstanding the foregoing, Participants who are members of the Board shall be subject to a 100% maximum deferral percentage with respect to their Annual Base Salary.

(d) If a Participant received a hardship distribution from the 401(k) Plan and, as a result of such hardship distribution, the Participant is prohibited from making deferrals to the 401(k) Plan for all or any portion of any subsequent Plan Year, such Participant shall be prohibited from making any deferrals to the Plan for such Plan Year, notwithstanding anything in Section 3.2 or 8.5 to the contrary. Any deferral for a subsequent Plan Year to which this subsection (d) does not apply must be made in accordance with Section 3.2.

3.2 **Election to Defer/Effect of Election Form.**

(a) **First Plan Year**. A Board member or Employee designated in Appendix B who first becomes eligible to participate in the Plan on or after the beginning of a Plan Year, as determined in accordance with Treasury Regulation Section 1.409A-2(a)(7)(ii), may elect to defer the portion of his or her Annual Base Salary and/or Annual Bonus paid for services performed after such election, provided that such Employee or Board member (1) submits an Election Form to the

Committee within 30 days after the Employee is selected by the Committee for participation in the Plan or within 30 days of the effective date of the member's appointment to the Board, and (2) has not been eligible to participate in this Plan or in any other plan that would be aggregated with the participant deferral portion of this Plan under Treasury Regulation Section 1.409A-1(c) at any time during the 24-month period ending on the date he or she became eligible to participate in the Plan.

(b) **Subsequent Plan Years**. For each succeeding Plan Year, an irrevocable deferral election for that Plan Year, and such other elections as the Committee deems necessary or desirable under the Plan, shall be made by timely delivering a new Election Form to the Committee, in accordance with its rules and procedures and before the end of the Plan Year preceding the Plan Year in which the services are first performed for which the Annual Base Salary and/or Annual Bonus that is subject to the election is paid. If no such Election Form is timely delivered for a Plan Year, the Annual Deferral Amount shall be zero for that Plan Year.

3.3 **Delayed Commencement Election.** A Participant who also participates in the 401(k) Plan or in the Retirement and Savings Plan of Amgen Manufacturing, Limited (the "1165(e) Plan") shall have the opportunity to delay the effective date of his or her deferral election until the latest date selected by the Committee for the applicable Plan Year. Elections under this Section 3.3 shall be made on an Election Form in accordance with such rules and procedures the Committee shall establish, within the timeframes set forth in Section 3.2.

3.4 **Withholding of Annual Deferral Amounts**. For each Plan Year and except as provided in Section 3.3, the Annual Base Salary portion of the Annual Deferral Amount for each Participant shall be withheld from the Participant's Annual Base Salary for such Plan Year as determined by the Committee. The Annual Bonus portion of the Annual Deferral Amount shall be withheld at the time the Annual Bonus is or otherwise would be paid to the Participant, whether or not this occurs during the Plan Year itself.

3.5 **Annual Company Contribution Amount**. For each Plan Year, an Employer, in its sole discretion, may, but is not required to, credit any amount it desires to any Participant's Company Contribution Account under this Plan, which amount shall be for that Participant the Annual Company Contribution Amount for that Plan Year. The amount so credited to a Participant may be smaller or larger than the amount credited to any other Participant, and the amount credited to any Participant for a Plan Year may be zero, even though one or more other Participants receive an Annual Company Contribution Amount for that Plan Year. The Annual Company Contribution Amount, if any, shall be credited as of the date determined by the Committee in its sole discretion. If a Participant is not employed by an Employer as of the last day of a Plan Year for a reason other than his or her retirement or death while employed, the Annual Company Contribution Amount for that Plan Year shall be zero. Distributions from a Participant's Company Contribution Account shall be made as provided in Articles 5 and 6.

3.6 **Vesting**.

(a) A Participant shall at all times be 100% vested in his or her Deferral Account.

(b) A Participant shall be vested in his or her Company Contribution Account in accordance with the vesting schedules established by the Committee, in its sole and absolute discretion, for each Annual Company Contribution Amount (and amounts credited or debited thereon) at the

time each such Annual Company Contribution Amount is first credited to the Participant's Account Balance under the Plan. The vesting schedules established by the Committee for each Annual Company Contribution Amount may be different for different Participants.

(c) Notwithstanding anything in this Section to the contrary, except as provided in subsection (d) below, in the event of a Change of Control, a Participant's Company Contribution Account shall immediately become 100% vested (without regard to whether it is already vested in accordance with the above vesting schedules).

(d) Except as otherwise provided by written agreement between a Participant and his/her Employer, notwithstanding anything in this Section or the Plan to the contrary, the vesting schedule for a Participant's Company Contribution Account shall not be accelerated to the extent that the Committee determines that such acceleration would cause the deduction limitations of Section 280G of the Code to become effective. In the event that any portion of a Participant's Company Contribution Account is not vested pursuant to such a determination, the Participant may request independent verification of the Committee's calculations with respect to the application of Section 280G. In such case, the Committee must provide to the Participant within 15 business days of such a request an opinion from a nationally recognized accounting firm selected by the Participant (the "Accounting Firm"), to the effect that, in the Accounting Firm's opinion that any limitation in the vested percentage hereunder is necessary to avoid the limits of Section 280G, and containing supporting calculations, or, in the absence of such an opinion, shall cause the relevant portion of the Participant's Company Contribution Account to become vested. The cost of such opinion shall be paid for by the Company.

3.7 **Crediting/Debiting of Account Balances**. In accordance with, and subject to, the rules and procedures that are established from time to time by the Committee, in its sole discretion, amounts shall be credited or debited to a Participant's Account Balance in accordance with the following rules:

(a) **Election of Measurement Funds**. A Participant, in connection with his or her initial deferral election in accordance with Section 3.2(a) above or his or her initial Annual Company Contribution Amount in accordance with Section 3.5 above, shall elect, on the Election Form, one or more Measurement Fund(s) (as defined in Section 3.7(c)) to be used to determine the additional amounts to be credited to his or her Account Balance for the first business day in which the Participant commences participation in the Plan and continuing thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the next sentence. Commencing with the first business day that follows the Participant's commencement of participation in the Plan and continuing thereafter for each subsequent day in which the Participant participates in the Plan, the Participant may (but is not required to) elect, by submitting an Election Form to the Committee that is accepted by the Committee, to add or delete one or more Measurement Fund(s) to be used to determine the additional amounts to be credited to his or her Account Balance, or to change the portion of his or her Account Balance allocated to each previously or newly elected Measurement Fund. If an election is made in accordance with the previous sentence, it shall apply to the next business day and continue thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the previous sentence.

(b) **Proportionate Allocation**. In making any election described in Section 3.7(a) above, the Participant shall specify on the Election Form, in increments of one percentage point (1%),

the percentage of his or her Account Balance to have gains and losses measured by a Measurement Fund.

(c) **Measurement Funds**. From time to time, the Senior Vice President, Human Resources of the Company (or his delegate) in such person's sole discretion shall select and announce to Participants such person's selection of mutual funds, insurance company separate accounts, indexed rates or other methods (each, a "Measurement Fund"), for the purpose of providing the basis on which gains and losses shall be attributed to Account Balances under the Plan. The Senior Vice President, Human Resources of the Company (or his delegate) may, in such person's sole discretion, discontinue, substitute, or add a Measurement Fund at any time. Each such action shall take effect after a reasonable period of time following the day on which Participants are given written notice of such change.

(d) **Crediting or Debiting Method**. The performance of each elected Measurement Fund (either positive or negative) will be determined by the Senior Vice President, Human Resources of the Company (or his delegate), in such person's reasonable discretion, based on available reports of the performance of the Measurement Funds. A Participant's Account Balance shall be credited or debited on a daily basis based on the performance of each Measurement Fund selected by the Participant, as determined by Senior Vice President, Human Resources of the Company (or his delegate), in such person's sole discretion, as though: (i) a Participant's Account Balance were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such day, as of the close of business on such day, at the closing price on such date; (ii) the portion of the Annual Deferral Amount that was actually deferred during any day were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such day, no later than the close of business on the first business day after the day on which such amounts are actually deferred from the Participant's Annual Base Salary through reductions in his or her payroll and from the Participant's Annual Bonus, at the closing price on such date; and (iii) any distribution made to a Participant that decreases such Participant's Account Balance ceased being invested in the Measurement Fund(s), in the percentages applicable to such day, no later than one business day prior to the distribution, at the closing price on such date.

(e) **No Actual Investment**. Notwithstanding any other provision of this Plan that may be interpreted to the contrary, the Measurement Funds are to be used for measurement purposes only, and a Participant's election of any such Measurement Fund, the allocation to his or her Account Balance thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account Balance shall not be considered or construed in any manner as an actual investment of his or her Account Balance in any such Measurement Fund. In the event that an Employer or the Trustee (as that term is defined in the Trust), in its own discretion, decides to invest funds in any or all of the Measurement Funds, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account Balance shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by an Employer or the Trust; the Participant shall at all times remain an unsecured creditor of the Employer.

3.8 **FICA and Other Taxes**. For each Plan Year in which an Annual Deferral Amount is being withheld from a Participant or a portion or all of an Annual Company Contribution Amount becomes Vested, the Participant's Employer(s) shall withhold from that portion of the Participant's Annual Base Salary or Annual Bonus that is not being deferred, in a manner determined by the Employer(s), the

Participant's share of taxes under the Federal Insurance Contribution Act ("FICA"), other employment taxes and other employee contributions on such Annual Deferral Amount. If necessary, and in accordance with Section 8.3(b) below, the Committee may reduce the Annual Deferral Amount or Annual Company Contribution Amount in order to comply with this Section.

3.9 **Distributions**. The Participant's Employer(s), or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer(s), or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer(s) and the trustee of the Trust, respectively (whichever is making the payment). The Participant's Employer, or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan any garnishment of wages in amounts and in a manner to be determined by the sole discretion of the Employer(s) and the trustee of the Trust, respectively (whichever is making the payment).

ARTICLE 4
Short-Term Payout

4.1 **Short-Term Payout**. In connection with each election to defer an Annual Deferral Amount, a Participant may irrevocably elect, within the timeframe and manner prescribed by Section 3.2, to receive a future "Short-Term Payout" from the Plan with respect to such Annual Deferral Amount. Subject to Article 8 below, the Short-Term Payout shall be a lump-sum payment in an amount that is equal to the Annual Deferral Amount plus amounts credited or debited in the manner provided in Section 3.7 above on that amount, determined at the time that the Short-Term Payout becomes payable (rather than the date of a Separation from Service). Subject to the terms and conditions of the Plan, each Short-Term Payout elected shall be paid out as soon as administratively practicable within the Plan Year designated by the Participant. The Plan Year designated by the Participant must be at least three but no more than ten Plan Years after the Plan Year in which the Annual Deferral Amount is actually deferred.

4.2 **Other Benefits Take Precedence Over Short Term Payout**. Should an event occur that triggers a benefit payment under Article 5 or Article 6, any Annual Deferral Amount, plus amounts credited or debited thereon, that is subject to a Short Term Payout election under Section 4.1 but not in pay status as of the date of the Participant's Separation from Service or death, shall not be paid in accordance with Section 4.1 but shall be paid in accordance with the other applicable Article.

ARTICLE 5
Distribution of Benefits Following Separation From Service

5.1 **Distributions**. Subject to Article 8 below, a Participant shall be entitled to a distribution of the vested interest of his or her Account Balance following Separation from Service. Such amount will be paid in a lump-sum cash payment as soon as administratively practicable during the Plan Year immediately following the Plan Year in which such Separation from Service occurs, unless the Participant has elected on an Election Form, within the time and manner prescribed by Section 3.2, to receive either (i) a lump-sum cash payment as soon as administratively practicable during the second Plan Year following the Plan Year in which the Separation from Service occurs, or (ii) installment payments in accordance with Section 5.2. Notwithstanding the foregoing, for all Annual Company Contribution Amounts credited to a Participant with respect to services performed on or after October 16, 2013, any election as to the time and form of payment previously made by the Participant under the Amgen Inc. Supplemental Retirement Plan ("SRP") shall also apply to such Annual Company Contribution

Amounts (and related earnings) under the Plan (to the extent made for services performed after the election). If a Participant does not have a previous election in effect under the SRP, any Annual Company Contribution Amount credited to a Participant with respect to services performed on or after October 16, 2013 (and related earnings) shall be distributed in a lump-sum cash payment as soon as administratively practicable during the Plan Year immediately following the Plan Year in which such Separation from Service occurs. The provisions of the Plan in effect prior to October 16, 2013 with respect to the time and form of payment shall apply with respect to all Annual Company Contribution Amounts credited to a Participant with respect to services performed prior to October 16, 2013 (and related earnings).

5.2 **Installment Payments**. In lieu of the lump-sum payment described in Section 5.1, a Participant may elect on an Election Form to have the designated vested portion of his or her Account Balance paid under the Annual Installment Method following Separation from Service for up to a ten-year period. Payments under the Annual Installment Method will commence as soon as administratively practicable during the Plan Year immediately following the Plan Year in which the Participant experiences a Separation from Service, and will end in the Plan Year specified in the Election Form. However, if the Participant's aggregate balance under all Account Balance Plans is $100,000 or less upon his or her Separation from Service, the Participant's election to receive payments under the Annual Installment Method shall be disregarded and the portion of the Participant's Account Balance that is subject to the election will be paid to the Participant as a lump sum as soon as administratively practicable during the Plan Year immediately following the Plan Year in which the Participant experiences a Separation from Service. Notwithstanding the foregoing, for Annual Company Contribution Amounts credited to a Participant with respect to services performed on or after October 16, 2013 (and related earnings), the time and form of payment of such amounts shall be governed by Section 5.1.

5.3 **Distribution Election Changes**. With respect to each distribution election (or deemed election) made pursuant to this Article 5, a Participant may extend the payment date and/or change the form of payment initially designated (or subsequently designated under this Section 5.3), provided that: (i) the new distribution election shall have no effect until at least 12 months after the date on which such election is made (e.g., must be made at least 12 months before the Participant's Separation from Service), (ii) the payment date must be at least five years after the previously designated payment date and must involve completion of all payments not later than the end of the Plan Year that includes the twenty-year anniversary of the Participant's Separation from Service, and (iii) the election must be made at least 12 months prior to the previously designated payment date. The "previously designated payment date" in the preceding sentence shall be January 1 of the Plan Year in which the payment was scheduled to occur (based on the last election in effect), which shall include only the first payment under the Annual Installment Method. Any election change made hereunder with respect to Annual Company Contribution Amounts credited to a Participant with respect to services performed on or after October 16, 2013 (and related earnings) may be independent of any election as to the time and form of payment made by the Participant under the SRP.

ARTICLE 6
Survivor Benefits

6.1 **Survivor Benefits**. If a Participant dies before his or her Account Balance has been distributed in full, the Participant's Beneficiary shall receive a survivor benefit equal to the Participant's Account Balance, payable in accordance with the following provisions of this Article 6.

6.2 **Death Before Commencement of Benefits**. Subject to Section 6.3, a Participant shall elect on an Election Form whether any amounts payable to a Beneficiary under the Plan shall be received by his or her Beneficiary in a lump sum or pursuant to the Annual Installment Method for up to a ten-year period. Notwithstanding the foregoing, for all Annual Company Contribution Amounts credited to a Participant with respect to services performed on or after October 16, 2013, any election as to the time and form of payment previously made by the Participant under the SRP upon the death of a Participant before the commencement of benefits shall also apply to such Annual Company Contribution Amounts (and related earnings) under the Plan (to the extent made for services performed after the election). If a Participant does not have a previous election in effect under the SRP, any Annual Company Contribution Amount credited to a Participant with respect to services performed on or after October 16, 2013 (and related earnings) shall be distributed upon the death of a Participant before the commencement of benefits in a lump-sum cash payment. The provisions of the Plan in effect prior to October 16, 2013 with respect to the time and form of payment upon the death of a Participant before the commencement of benefits shall apply with respect to all Annual Company Contribution Amounts credited to a Participant with respect to services performed prior to October 16, 2013 (and related earnings). Notwithstanding anything herein to the contrary, if the Participant's aggregate balance under all Account Balance Plans is $100,000 or less upon his or her death, the Participant's election to have payments made under the Annual Installment Method shall be disregarded and the portion of the Participant's Account Balance that is subject to the election will be paid to the Beneficiary as a lump sum. If a Participant does not make any election with respect to the payment of his or her Account Balance, then such Account Balance shall be paid to the Beneficiary in a lump sum. Any lump-sum payment made pursuant to this Section 6.2 or Section 6.4 shall be made, or installment payments shall commence, within 60 days of the Participant's death.

6.3 **Death After Commencement of Benefits**. If a Participant dies after installment payments have commenced but before his or her Account Balance is paid in full, the Participant's remaining installment payments shall continue and shall be paid to the Participant's Beneficiary over the remaining number of years and in the same amounts as payments would have been made to the Participant had the Participant survived.

6.4 **Distribution Election Changes**. With respect to each distribution election (or deemed election) made pursuant to this Article 6, a Participant may change the form of payment initially designated (or subsequently designated under this Section 6.4), provided that: (i) the new distribution election shall have no effect until at least 12 months after the date on which such election is made (e.g., must be made at least 12 months before the Participant's Separation from Service), (ii) the payment date must involve completion of all payments not later than the end of the Plan Year that includes the ten-year anniversary of the Participant's death, and (iii) the election must be made at least 12 months prior to the previously designated payment date. The "previously designated payment date" in the preceding sentence shall be January 1 of the Plan Year in which the payment was scheduled to occur (based on the last election in effect), which shall include only the first payment under the Annual Installment Method. Any election change made hereunder with respect to Annual Company Contribution Amounts credited to a Participant with respect to services performed on or after October 16, 2013 (and related earnings) may be independent of any election as to the time and form of payment made by the Participant under the SRP.

6.5 **Beneficiary**. Each Participant shall have the right, at any time, to designate his Beneficiary (both primary and contingent) to receive any benefits payable under the Plan upon the death of the Participant. The Beneficiary designated under this Plan may be the same or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates.

6.6 **Beneficiary Designation Change/Spousal Consent**. A Participant shall designate his or her Beneficiary by completing and submitting the Beneficiary Designation Form to the Committee. A Participant shall have the right to change a Beneficiary designation by submitting a new Beneficiary Designation Form in accordance with this Section 6.6 and with the Committee's rules and procedures, as in effect from time to time. A Participant may name someone other than his or her spouse as a Beneficiary only if a spousal consent, in the form designated by the Committee, is signed by that Participant's spouse and returned to the Committee. Upon the acceptance by the Committee of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Committee shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Committee prior to his or her death. Notwithstanding anything in this Section or the Plan to the contrary, a Participant's designation of a spouse as a Beneficiary shall automatically be cancelled and revoked on the date a Participant's divorce from that spouse becomes final.

6.7 **Acknowledgment**. No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Committee or its designated agent.

6.8 **No Beneficiary Designation**. If a Participant fails to designate a Beneficiary as provided in Sections 6.5, 6.6, and 6.7 above, or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be the first of the following classes in which there is a survivor: (i) his or her surviving Spouse; (ii) his or her children, except if any of the children predecease the Participant but leave surviving issue, then such issue will take by right of representation the share the parent would have taken if living; and (iii) his or her estate.

6.9 **Discharge of Obligations**. The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Committee from all further obligations under this Plan with respect to the Participant, and that the Participant's Plan Agreement shall terminate upon such full payment of benefits. Notwithstanding anything in the Plan to the contrary, if payment of a Participant's benefits under this Plan is made to any person in excess of the amount which is due and payable under the Plan for any reason (including, without limitation, the continuation of payments after the death of a Participant or Beneficiary entitled to them), the Committee shall have full authority, in its sole and absolute discretion, to reduce future benefits payable under the Plan (including amounts payable to a surviving Spouse) to reflect the value of the excess payment.

ARTICLE 7
Disability Waiver and Benefit

7.1 **Disability Waiver.**

(a) **Waiver of Deferral**. A Participant who is determined by the Committee to be suffering from a Disability shall have no further deferrals of the Annual Deferral Amount that would otherwise have been withheld from a Participant's Annual Base Salary or Annual Bonus for the Plan Year during which the Participant first suffers a Disability. During the period of Disability, the Participant shall not be allowed to make any additional deferral elections, but will continue to be considered a Participant for all other purposes of this Plan. Any cancellation of the Participant's Annual Deferral Amount pursuant to this Section 7.1(a) shall occur by the later of the end of the Plan Year or the 15th day of the third month following the date the Participant incurs a Disability.

(b) **Return to Work**. If a Participant returns to employment with an Employer after a Disability ceases, the Participant may elect to defer an Annual Deferral Amount for the Plan Year following his or her return to employment or service and for every Plan Year thereafter while a Participant in the Plan, provided such deferral elections are otherwise allowed and an Election Form is delivered to and accepted by the Committee for each such election in accordance with Section 3.2, above.

ARTICLE 8
Distributions - General

8.1 **Generally**. Except as otherwise provided, any and all distributions pursuant to Articles 4 through 6 shall be subject to the terms and conditions of this Article 8.

8.2 **Six-Month Delayed Payment**. If, at the time of the Participant's Separation from Service, the Participant is a "specified employee" (within the meaning of Section 409A of the Code and Treasury Regulation Section 1.409A-1(i)), the Employer will not pay or provide any "Specified Benefits" (as defined herein) during the six-month period beginning with the date of the Participant's Separation from Service (the "409A Suspension Period"). In the event of a Participant's death, however, the Specified Benefits shall be paid to the Participant's Beneficiary without regard to the 409A Suspension Period. For purposes of this Plan, "Specified Benefits" are any amounts of the Participant's Account Balance that would be subject to Section 409A additional taxes if the Employer were to pay them, pursuant to this Plan, on account of the Participant's Separation from Service. During the 409A Suspension Period, the Account Balance will continue to be credited or debited in accordance with Section 3.7(a) above until the Account Balance is distributed. Within 14 calendar days after the end of the 409A Suspension Period, the Participant shall be paid a lump-sum payment in cash equal to any Specified Benefits delayed during the 409A Suspension Period.

8.3 **Accelerated Distributions**. Distributions may not be accelerated, except as provided in this Section 8.3 and Article 10. Distributions may be accelerated under the following circumstances:

(a) A Participant who has elected to receive any Annual Deferrals under the Annual Installment Method subsequently elects to change from installments to a lump-sum distribution, provided the change in the distribution election satisfies the requirements set forth in Sections 5.3 or 6.4 above.

(b) A Participant becomes liable for FICA taxes with respect to any portion of the Participant's Account Balance, provided that if an accelerated distribution is made pursuant to this paragraph, the amount distributed shall not exceed the aggregate of the FICA taxes imposed on the Participant's Account Balance plus any income tax withholding required for the FICA withholdings.

(c) The Plan fails to meet the requirements of Code Section 409A with respect to a Participant, provided that if an accelerated distribution is made pursuant to this paragraph, the amount that shall be distributed shall not exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

8.4 **Delayed Distributions**. Except as provided in Sections 5.3, 6.4, 8.2, and this Section 8.4, payments may not be delayed. Distributions may be delayed under the following circumstances:

(a) If the Company reasonably anticipates that the Employer's deduction with respect to any distribution from this Plan would be limited or eliminated by application of Code Section 162(m), then to the extent permitted by Treasury Regulation Section 1.409A-2(b)(7)(i), payment shall be delayed as deemed necessary to ensure that the entire amount of any distribution from this Plan is deductible. Any amounts for which distribution is delayed pursuant to this Section shall continue to be credited or debited with additional amounts in accordance with Section 3.7. The delayed amounts (as adjusted for any amounts credited or debited thereon) shall be distributed to the Participant (or his Beneficiary in the event of the Participant's death) at the earliest date the Company reasonably anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of Code Section 162(m).

(b) The Committee may delay payment if it reasonably anticipates that making the payment would violate federal securities laws or other applicable law, provided the Committee treats all payments to similarly situated Participants on a reasonably consistent basis and the payment is made at the earliest date at which the Committee reasonably anticipates that the making of the payment will not cause such a violation.

8.5 **Withdrawal /Cancellation of Deferrals for Unforeseeable Financial Emergencies**. If the Participant experiences an Unforeseeable Financial Emergency, the Participant may petition the Committee to receive a partial or full payout from the Plan. The payout shall not exceed the lesser of the Participant's then vested Account Balance or the amount reasonably needed to satisfy the Unforeseeable Financial Emergency. If, subject to the sole discretion of the Committee, the petition for a payout is approved, any payout shall be made within 60 days of the date of such approval. In addition, if the petition for payout is approved, or if the Participant receives a hardship distribution from the 401(k) Plan, the Participant's deferrals for the remainder of the Plan Year shall be cancelled effective as of the date of such hardship distribution or approval. Any deferral for a subsequent Plan Year must be made in accordance with Section 3.2.

8.6 **Withholding of Employment Taxes Upon Distribution**. The Participant's Employer(s), or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer(s), or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer(s) and the trustee of the Trust, respectively (whichever is making the payment). The Participant's Employer, or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan any garnishment of wages in amounts and in a manner to be determined by the sole discretion of the Employer(s) and the trustee of the Trust, respectively (whichever is making the payment). Except to the extent specifically provided within this Plan or any separate written agreement between a Participant and the Employer, a Participant shall be solely responsible for the satisfaction of any taxes with respect to the benefits payable to the Participant under this Plan (including, but not limited to, employment taxes imposed on employees and additional taxes on nonqualified deferred compensation). Although the Company intends and expects that the Plan and its payments and benefits will not give rise to taxes imposed under Section 409A of the Code, neither the Company nor any other Employer, nor its employees, directors, or agents shall have any obligation to mitigate or to hold any Participant harmless from any or all of such taxes.

ARTICLE 9
Leave of Absence

9.1 **Paid Leave of Absence**. If a Participant is authorized by the Participant's Employer for any reason to take a paid leave of absence from the employment of the Employer, and such leave of absence does not constitute a Separation from Service, the Participant shall continue to be considered eligible for the benefits provided under the Plan, and the Annual Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Article 3.

9.2 **Unpaid Leave of Absence**. If a Participant is authorized by the Participant's Employer for any reason to take an unpaid leave of absence from the employment of the Employer, and such leave of absence does not constitute a Separation from Service, the Participant shall continue to be considered employed by the Employer, and deferrals shall not be made, in the absence of compensation. Upon such expiration of the unpaid leave and resumption of entitlement to compensation, deferrals shall resume for the remaining portion of the Plan Year in which the return occurs, based on the deferral election, if any, made for that Plan Year. If no election was made for that Plan Year, no deferral shall be withheld.

ARTICLE 10
Termination/Amendment or Modification

10.1 **Termination**. Although the Company anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that the Company will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, by action of its Board of Directors or the Committee, the Company reserves the right to discontinue its sponsorship of the Plan and to terminate the Plan at any time in accordance with one of the following circumstances set forth in subsections (a) through (c) below and in Treasury Regulation Section 1.409A-3(j)(4)(ix):

(a) The Company may terminate the Plan if the termination and liquidation is not proximate to a downturn in the Company's financial health and:

(i) The Plan and all other plans maintained by the Company that would be aggregated with the Plan under Treasury Regulation Section 1.409A-1(c) are irrevocably terminated;

(ii) No payments other than payments that would otherwise be payable under the terms of the Plan are made within 12 months following the date the Company takes all necessary actions to terminate and liquidate the Plan;

(iii) Except with respect to the Participants who became entitled to benefits under the terms of the Plan and any other plan maintained by the Company that would be aggregated with the Plan under Treasury Regulation Section 1.409A-1(c) within the first 12 months following the date such plans are irrevocably terminated, all payments to the Participants due under the terms of such plans must be made between the first day of the 13th month and the last day of the 24th month following the date such plans terminated; and

(iv) The Company does not adopt a plan that would be aggregated with this Plan under Treasury Regulation Section 1.409A-1(c) within three years following the date the Plan is terminated.

(b) The Company terminates and liquidates the Plan pursuant to irrevocable action taken within 30 days preceding or 12 months following a "change in control event" (defined below), provided that the Plan and all other plans maintained by the Company that would be aggregated with the Plan under Treasury Regulation Section 1.409A-1(c) are terminated on the same date with respect to each participant in such plans that experienced the "change in control event," and all such participants receive all benefits payable under such plans within 12 months following the termination date. For purposes of this Section 10.1(b), "change in control event" shall have the meaning set forth in Treasury Regulation Section 1.409A-3(i)(5).

(c) The Company terminates and liquidates the Plan within 12 months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court pursuant to 11 U.S.C. § 503(b)(1)(A), provided that all benefits payable under the Plan are distributed to Participants during the earlier of (i) the taxable year in which the amount is actually or constructively received, or (ii) the latest of the calendar year in which (a) the Plan is terminated and liquidated; (b) the benefits are no longer subject to a substantial risk of forfeiture; or (c) the payment first becomes administratively practicable.

10.2 **Amendment**. The Company may, at any time, amend or modify the Plan in whole or in part by the action of the Committee; provided, however, that: (i) no amendment or modification shall be effective to decrease or restrict the value of a Participant's Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Separation from Service as of the effective date of the amendment or modification, (ii) no adverse amendment or modification shall be effective upon or after a Change of Control without the prior written consent of a majority of the Participants, and (iii) no amendment or modification of this Section 10.2 or Section 11.2 of the Plan shall be effective. The amendment or modification of the Plan shall not affect any Participant or Beneficiary who has become entitled to benefits under the terms of the Plan as of the date of the amendment or modification.

This Plan is intended to comply with Section 409A of the Code, and the Company shall have complete discretion to interpret and construe this Plan and any associated documents in any manner that establishes an exemption from or otherwise conforms them to the requirements of Section 409A. If, for any reason including imprecision in drafting, any Plan provision does not accurately reflect its intended establishment of an exemption from or compliance with Section 409A of the Code, as demonstrated by consistent interpretations or other evidence of intent, the provision shall be considered ambiguous and shall be interpreted by the Company in a fashion consistent herewith, as determined in the sole and absolute discretion of the Company. The Company reserves the right to unilaterally amend this Plan without the consent of any Participant in order to accurately reflect its correct interpretation and operation, as well as to maintain an exemption from or compliance with Section 409A of the Code.

10.3 **Effect of Payment**. The full payment of the applicable benefit under Articles 4, 5, or 6 of the Plan shall completely discharge all obligations to a Participant and his or her designated Beneficiaries under this Plan, and the Participant's Plan Agreement shall terminate.

ARTICLE 11
Administration

11.1 **Committee Duties**. Except as otherwise provided in this Article 11, this Plan shall be administered by the Committee, or such other committee or delegates as the Committee shall appoint (including the Claims Reviewer and Appeals Reviewer with respect to benefits claims). The Committee shall also have the discretion and authority to (i) make, amend, interpret, and enforce all appropriate laws, rules and regulations for the administration of this Plan and (ii) decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with the Plan. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Committee shall be entitled to rely on information furnished by a Participant, the Company or any Employer.

11.2 **Administration Upon Change of Control**. For purposes of this Plan, the Company, acting through the Committee, shall be the "Administrator" at all times prior to the occurrence of a Change of Control. Upon and after the occurrence of a Change of Control, the "Administrator" shall be an independent third party selected by the Trustee and approved by the individual who, immediately prior to such event, was the Company's Chief Executive Officer or, if not so identified, the Company's highest ranking officer (the "Ex-CEO"). The Administrator shall have the discretionary power to determine all questions arising in connection with the administration of the Plan and the interpretation of the Plan and Trust including, but not limited to benefit entitlement determinations; provided, however, upon and after the occurrence of a Change of Control, the Administrator shall have no power to direct the investment of Plan or Trust assets or select any investment manager or custodial firm for the Plan or Trust. Upon and after the occurrence of a Change of Control, the Company must: (1) pay all reasonable administrative expenses and fees of the Administrator; (2) pursuant to Section 11.5, indemnify the Administrator against any costs, expenses and liabilities including, without limitation, attorney's fees and expenses arising in connection with the performance of the Administrator hereunder, except with respect to matters resulting from the gross negligence or willful misconduct of the Administrator or its employees or agents; and (3) pursuant to Section 11.6, supply full and timely information to the Administrator or all matters relating to the Plan, the Trust, the Participants and their Beneficiaries, the Account Balances of the Participants, the date of circumstances of the retirement, Disability, death or Separation from Service of the Participants, and such other pertinent information as the Administrator may reasonably require. Upon and after a Change of Control, the Administrator may be terminated (and a replacement appointed) by the Trustee only with the approval of the Ex-CEO. Upon and after a Change of Control, the Administrator may not be terminated by the Company.

11.3 **Agents**. In the administration of this Plan, the Committee and the Administrator may, from time to time, employ agents and delegate to them such of their respective administrative duties as they see fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer. The Claims Reviewer and Appeals Reviewer shall be considered delegates of the Committee with respect to benefit claims.

11.4 **Binding Effect of Decisions**. The decisions or actions of the Committee, the Administrator and/or their respective delegates, with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

11.5 **Indemnity of Committee**. All Employers shall indemnify and hold harmless the members of the Committee, and any Employee to whom the duties of the Committee may be delegated, and the Administrator against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by the Committee, any of its members, any such Employee or the Administrator.

11.6 **Employer Information**. To enable the Committee and Administrator to perform their respective functions, the Company and each Employer shall supply full and timely information to the Committee or Administrator, as the case may be, on all matters relating to the compensation of its Participants, the date and circumstances of the Disability, death or Separation from Service of its Participants, and such other pertinent information as the Committee or Administrator may reasonably require.

ARTICLE 12
Other Benefits and Agreements

12.1 **Coordination with Other Benefits**. The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

ARTICLE 13
Claims Procedures

13.1 **Presentation of Claim**. Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the person or persons ("Claims Reviewer") to whom the responsibility to adjudicate claims under the Plan has been delegated by the Senior Vice President, Human Resources of Amgen Inc. (as delegate of the Committee) a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. All claims must be made within 180 days of the date on which the event that caused the claim to arise occurred, including, without limitation, the receipt of a benefit statement that is labeled as a final determination (or labeled in terms substantially similar) of the Claimant's benefits as of a certain date or states a claim for benefits may be filed within 180 days. The claim must state with particularity the determination desired by the Claimant.

13.2 **Notification of Decision**. The Committee shall consider a Claimant's claim, and shall notify the Claimant in writing. Such notice shall be given to the Claimant within 90 days after the Claims Reviewer receives the application, unless special circumstances require an extension of time for processing the application. In no event shall such an extension exceed a period of 90 days from the end of the initial 90 day period. If such an extension is required, written notice thereof shall be furnished to the Claimant before the end of the initial 90 day period. Such notice shall indicate the special circumstances requiring an extension of time and the date by which the Claims Reviewer expects to render a decision. If notice is not given to the Claimant within the period prescribed by this Section 13.2, the application shall be deemed to have been denied for purposes of Section 13.2 upon the expiration of such period. The notice to the Claimant shall state:

(a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or

(b) that the Claims Reviewer has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:

(i) the specific reason(s) for the denial of the claim, or any part of it;

(ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;

(iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and

(iv) an explanation of the claim review procedure set forth in Section 13.3 below, including the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse determination on review.

13.3 **Review of a Denied Claim**. Within 90 days after receiving a notice from the Claims Reviewer that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Senior Vice President, Human Resources of Amgen Inc. ("Appeals Reviewer") a written request for a review of the denial of the claim. In addition, the Claimant (or the Claimant's duly authorized representative):

(a) may, upon request and free of charge, have reasonable access to, and copies of, all documents, records and other information relevant to the claim;

(b) may submit written comments or other documents; and/or

(c) may request a hearing, which the Appeals Reviewer, in its sole discretion, may grant.

13.4 **Decision on Review**. The Appeals Reviewer shall render its decision on review promptly, using an abuse of discretion standard of review, and shall render its decision not later than 60 days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Appeals Reviewer's decision must be rendered within 120 days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

(a) specific reasons for the decision;

(b) specific reference(s) to the pertinent Plan provisions upon which the decision was based;

(c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim; and

(d) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.

13.5 **Legal Action**. A Claimant's compliance with the foregoing provisions of this Article 13 is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits

under this Plan. If Claimant has entered into an arbitration agreement with the Company or an Employer, the provisions of that arbitration agreement will govern following a Claimant's compliance with the foregoing provisions of this Article 13, and shall be the sole and exclusive remedy following compliance with the foregoing provisions. No arbitration or civil action for benefits under the Plan may be brought more than one year following the notification that the appeal was denied in whole or in part, or the event that gave rise to the claim for benefits (including, without limitation, receipt of a benefit statement that is labeled as a final determination (or labeled in terms substantially similar) of the Claimant's benefits as of a certain date or states the Claimant may file a claim for benefits within 180 days), whichever is later. If no arbitration agreement is applicable, any legal or equitable action for benefits under the Plan must be brought in the United States District Court that includes the city or is nearest to the city in which the participant was last employed by an Employer.

ARTICLE 14
Trust

14.1 **Establishment of the Trust**. The Company may establish the Trust, and each Employer may transfer over to the Trust such assets as the Employer determines, in its sole discretion, to provide for its respective future liabilities created with respect to the Annual Deferral Amounts and Annual Company Contribution Amounts, for such Employer's Participants for all periods prior to the transfer, as well as any debits and credits to the Participants' Account Balances for all periods prior to the transfer, taking into consideration the value of the assets in the Trust at the time of the transfer.

14.2 **Interrelationship of the Plan and the Trust**. The provisions of the Plan and the Plan Agreement shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Employers, Participants and the other creditors of the Employers to the assets transferred to the Trust. Each Employer shall at all times remain liable to carry out its obligations under the Plan.

14.3 **Distributions From the Trust**. Each Employer's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer's obligations under this Plan.

14.4 **Investment of Trust Assets**. The Trustee of the Trust shall be authorized, upon written instructions received from the Committee or investment manager appointed by the Committee, to invest and reinvest the assets of the Trust in accordance with the applicable Trust Agreement.

ARTICLE 15
Miscellaneous

15.1 **Status of Plan**. The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent. The Plan is an unfunded, nontax-qualified, individual account, profit sharing plan. Plan benefits shall only accrue immediately before they are paid and may be paid directly by the applicable Employer. By electing to contribute to this Plan, each Participant acknowledges that this Plan is subject to ERISA but exempted from all of ERISA's substantive requirements because it is a "top-hat plan," acknowledges that the Company would not have implemented or continued this Plan but for its good-

faith belief that it is a top-hat plan, agrees that all Plan benefits shall be contingent on the Plan being a top-hat plan and promises never to assert otherwise.

15.2 **Unsecured General Creditor**. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of an Employer. For purposes of the payment of benefits under this Plan, the Employer's assets shall be, and remain, neither pledged nor restricted under or as a result of this Plan. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

15.3 **Employer's Liability**. An Employer's liability for the payment of benefits shall be defined only by the Plan and the Plan Agreement, as entered into between the Employer and a Participant. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan and his or her Plan Agreement.

15.4 **Nonassignability**. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

15.5 **Not a Contract of Employment**. The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between any Employer and the Participant. Such employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, except to the extent expressly provided in a written employment agreement, if any. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of any Employer or to interfere with the right of any Employer to discipline or discharge the Participant at any time.

15.6 **Furnishing Information**. A Participant or his or her Beneficiary, as a condition to entitlement to benefits hereunder, shall cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.

15.7 **Terms**. Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

15.8 **Captions**. The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

15.9 **Governing Law**. Subject to ERISA and the Code, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of California without regard to its conflicts of laws principles.

15.10 **Notice**. Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below, except where such documents are required to be submitted on line:

Benefits Department
Amgen Inc.
One Amgen Center Drive
Thousand Oaks, CA 91320-1799

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if it is sent to the Participant (1) electronically, or (2) in writing and hand-delivered, or sent by mail, to the last address of the Participant shown on the records of the Company.

15.11 **Successors**. The provisions of this Plan shall bind and inure to the benefit of the Participant's Employer and its successors and assigns and the Participant and the Participant's designated Beneficiaries.

15.12 **Spouse's Interest**. The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.

15.13 **Validity**. In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

15.14 **Incompetent**. If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

15.15 **Insurance**. The Employers, on their own behalf or on behalf of the trustee of the Trust, and, in their sole discretion, may apply for and procure insurance on the life of the Participants, in such amounts and in such forms as the Trust may choose. The Employers or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participants shall have no interest whatsoever in any such policy or policies, and at the request of the Employers shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Employers have applied for insurance.

15.16 **Legal Fees To Enforce Rights After Change of Control**. The Company and each Employer is aware that upon the occurrence of a Change of Control, the Board or the board of directors of a Participant's Employer (which might then be composed of new members) or a shareholder of the

Company or the Participant's Employer, or of any successor corporation might then cause or attempt to cause the Company, the Participant's Employer or such successor to refuse to comply with its obligations under the Plan and might cause or attempt to cause the Company or the Participant's Employer to institute, or may institute, litigation seeking to deny Participants the benefits intended under the Plan. In these circumstances, the purpose of the Plan could be frustrated. Accordingly, if, following a Change of Control, it should appear to any Participant that the Company, the Participant's Employer or any successor corporation has failed to comply with any of its obligations under the Plan or any agreement thereunder or, if the Company, such Employer or any other person takes any action to declare the Plan void or unenforceable or institutes any litigation or other legal action designed to deny, diminish or to recover from any Participant the benefits intended to be provided, then the Company and the Participant's Employer irrevocably authorize such Participant to retain counsel of his or her choice at the expense of the Company and the Participant's Employer (who shall be jointly and severally liable) to represent such Participant in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company, the Participant's Employer or any director, officer, shareholder or other person affiliated with the Company, the Participant's Employer or any successor thereto in any jurisdiction. The Company or the Participant's Employer will pay all expenses described in this Section 15.16 no later than the last day of the Participant's taxable year immediately following the taxable year in which the expenses are incurred, and the amount of expenses incurred in one taxable year shall not affect the eligible expenses in any other taxable year. Notwithstanding anything in this Section or the Plan to the contrary, the Company and/or the Participant's Employer shall have no obligation for any unpaid expenses under this Section, and the Participant shall reimburse the Company and/or the Participant's Employer for expenses already paid, to the extent there is a judicial determination or final arbitration decision that the litigation or other legal action brought by the Participant is frivolous.

IN WITNESS WHEREOF, the Company has signed this amended and restated Plan document on October 18, 2013.

"Company"

Amgen Inc., a Delaware corporation

By: /s/ BRIAN MCNAMEE

Title: Senior Vice President, Human Resources

Appendix A

The following subsidiaries and affiliates of Amgen Inc. are designated as Employers:

Amgen Manufacturing, Limited
Amgen Rockville, Inc. (formerly Micromet, Inc.)
Amgen SF, LLC
Amgen USA Inc.
Amgen Worldwide Services, Inc.
BioVex, Inc.
Immunex Corporation
Immunex Manufacturing Corporation
Immunex Rhode Island Corporation
KAI Pharmaceuticals, Inc.

Appendix B

Subject to the other terms and conditions of the Plan, the following management-level Employees shall be eligible to participate in the Plan:

1. Those management-level Employees at Job Level 7 or higher.
2. Those management-level Employees at Job Level 6 who, prior to the implementation of the Global Career Framework, were participating in the Plan.

- **YOU MAY NOT MAKE ANY CHANGES TO THIS AGREEMENT WITHOUT PRIOR DISCUSSION WITH THE COMPANY.**
- **YOU WILL HAVE TWENTY-ONE (21) DAYS AFTER YOU RECEIVE THIS AGREEMENT TO SIGN IT, AND SEVEN (7) DAYS TO REVOKE IT, BUT IF YOU REVOKE IT YOU WILL NOT RECEIVE THE BENEFITS DESCRIBED.**

AGREEMENT AND GENERAL RELEASE OF CLAIMS

This Agreement and General Release of Claims (the "Agreement") is made and entered into by and between Amgen Inc., including its subsidiaries and related or affiliated companies (together, "Amgen" or "Company"), and the employee whose name and signature appear at the end of this Agreement ("Employee"). Employee's employment in any capacity with the Company will terminate on the termination date set forth in the Statement of Benefits attached as Appendix A to this Agreement (the "Termination Date"), subject to earlier termination as provided in Paragraph 1.2 below. If Employee timely executes and does not timely revoke this Agreement, the Effective Date of this Agreement is the eighth day after Employee executes this Agreement.

1. BENEFITS

1.1 Irrespective of whether this Agreement becomes effective, Employee will receive the following benefits to which he is entitled as an executive employed by the Company as of December 31, 2013:

1.1.1 **EIP Bonus for 2013:** If the Company pays awards to active Company executives for performance in 2013 under the Executive Incentive Plan ("EIP"), Employee shall be eligible to receive an EIP award for performance during that plan year equal to the product of (a) Employee's eligible earnings in 2013 (as determined in the sole discretion of the EIP administrator); and (b) Employee's target bonus percentage of ninety percent (90%); and (c) the Company's performance against established goals for 2013. If the EIP calculation just described results in an EIP award being owed to Employee, and if approved by the Compensation and Management Development Committee of the Amgen Board of Directors, the EIP award shall be paid at the same time as EIP payments for 2013 are made to other executives. Employee further acknowledges and agrees that Employee shall not be entitled to participate in the EIP with respect to any plan year not set forth in this Subparagraph.

1.1.2 **Performance Award Program**: Employee is eligible to participate in the Company's Performance Award Program (the "Program") for the 2011-2013 performance cycle pursuant to the terms of the Program and Employee's performance unit agreement. Employee acknowledges that any award to be made to Employee under the Program

for the 2011-2013 performance cycle will be made to Employee on or about the same date as the Program benefits are awarded to current Amgen staff members. Employee further acknowledges and agrees that Employee shall not be entitled to participate in the Program with respect to any performance cycle not set forth in this Subparagraph.

1.2 **Continued Employment**: If Employee signs and does not revoke this Agreement, Amgen agrees to employ Employee from the Effective Date through the Termination Date. During this period of continued employment, Employee will no longer be Chief Financial Officer of the Company but shall serve in a non-executive capacity with the title of "Executive Vice President" reporting to the Company's Chief Executive Officer and shall: (a) be permitted to pursue a job search; (b) perform such duties as may be assigned to Employee by the Company's Chief Executive Officer; and (c) continue to receive the same salary and be eligible for the same benefits that Employee received and was eligible for as of the Effective Date. On Employee's Termination Date, Amgen shall pay Employee all monies due for all earned but unpaid wages through the Termination Date and all earned, but unused vacation days Employee accrued through the Termination Date, as required by law. Employee shall not be eligible for any bonus or equity awards for services performed in 2014.

Amgen reserves the right to terminate Employee's employment before the Termination Date if Amgen reasonably determines that Employee: (i) committed an intentional act or acted with gross negligence that materially injured the business of the Company; (ii) intentionally refused or failed to follow lawful and reasonable directions of the Company's Chief Executive Officer; (iii) engaged in gross negligence with regard to performance of Employee's duties for the Company; or (iv) failed to follow laws, statutes, regulations, or Amgen policies applicable to the performance of Employee's duties for the Company. Before making this determination, the Company shall provide Employee written notice of any such potential determination and a twenty (20) day period to respond and cure, if curable; provided that the Company may require a shorter response period if required to meet any legal obligations of the Company or if the Company determines that such shorter period is necessary to protect the Company from material harm.

1.2.1 **Vesting of Prior Equity Awards**: If Employee remains employed through the Termination Date, Equity awards previously granted to Employee shall vest in accordance with their terms through the Termination Date. Employee acknowledges that Employee's right to the vesting of any equity awards that have not vested according to their terms prior to the Termination Date shall end and all such remaining awards shall be cancelled.

1.3 If Employee timely signs this Agreement and the Re-Execution Agreement attached as Appendix B and does not revoke those agreements, Employee will receive the benefits set forth below:

1.3.1 **Cash Severance Payment**: Amgen will pay Employee a cash severance payment in the gross amount set forth in the Statement of Benefits, less withholdings as required or permitted by law. This payment will be made within thirty (30) days, or as soon as administratively practicable, after the Re-Execution Agreement's Effective Date (as defined in the attached Re-Execution Agreement). In no event will the payment due hereunder be made later than March 15th of the calendar year after the year in which Employee terminates employment. Amgen will send this cash severance payment to

Employee's last home address on file in Amgen's records. The cash severance payment does not include monies Amgen has paid or will pay Employee in accordance with applicable law for all earned but unpaid wages through the Termination Date and all earned but unused vacation days Employee accrued through the Termination Date, which shall be payable irrespective of whether Employee executes this Agreement.

1.3.2 **Cash Payment for Unvested Equity Grant in October 2010:** In consideration of (a) proportional service during the vesting period, (b) services prior to the Termination date, including transitioning Employee's responsibilities, and (c) the covenants and undertakings contained in this Agreement and Employee's reaffirmation of his obligations under the Proprietary Information and Inventions Agreement ("PIIA"), Employee will receive a cash payment equal to the pro-rated value of the currently unvested 25,000 restricted stock units and unvested 43,750 stock options of the new-hire equity grant made to the Employee in October 2010 calculated by using the number of full months between the October 2010 grant and the Termination Date as the numerator (determined by using the date of the actual termination of Employee's employment), a denominator of forty-eight (48) months, and an Amgen share price of $113.00 for each of the restricted stock units and the difference between an Amgen share price of $113.00 less the stock option exercise price of $57.27 for each stock option. Employee's right to the payment specified in this Paragraph 1.3.2 is contingent on (i) Employee's execution and non-revocation of this Agreement and the Re-Execution Agreement, and (ii) Employee's continued compliance with Employee's obligations under this Agreement and the PIIA. This payment, less withholdings as required or permitted by law, will be made within thirty (30) days, or as soon as administratively practical, after the Effective Date of the Re-Execution Agreement. In no event will the payment due under this Paragraph 1.3.2 be made later than March 15th of the calendar year after the year in which Employee terminates employment. Amgen will send this payment to Employee's last home address on file in Amgen's records.

1.3.3 **COBRA**: If Employee and/or Employee's eligible dependents timely elect Consolidated Omnibus Budget Reconciliation Act ("COBRA") coverage under Amgen's group health plan(s), Amgen will pay the cost of such COBRA coverage for each person who is eligible and who timely elects to receive such coverage from the Termination Date until the earliest of (a) the number of months set forth in the Statement of Benefits; (b) the date on which the covered person no longer qualifies for COBRA coverage; (c) the date on which the covered person is eligible for group health plan coverage offered by a subsequent employer of Employee or the employer of Employee's spouse or domestic partner; or (d) in the case of Employee's eligible dependents, the date on which such dependents cease to be eligible dependents under the terms of Amgen's group health plan(s). Employee represents and warrants that Employee currently is not eligible for another employer's, spouse's or domestic partner's health plan. Employee further agrees that if Employee becomes eligible for a subsequent employer's, spouse's or domestic partner's health plan while Employee or any dependent is receiving Company-paid COBRA coverage, Employee will notify Amgen's COBRA administrator of the date Employee becomes eligible for the subsequent plan within thirty (30) days of the date Employee learns of such eligibility.

1.3.4 **Outplacement Services**: Amgen will pay the fees for outplacement services with a provider selected by Amgen. Employee must commence such services within thirty

(30) days of the Termination Date and such services will be provided for the number of months set forth in the Statement of Benefits.

2. COMPLETE RELEASE

2.1 **Release**: In exchange for the consideration set forth in this Agreement, the adequacy of which Employee acknowledges, Employee irrevocably and unconditionally releases all the claims described below that Employee may have against the following persons or entities (the "Releasees"): Amgen; all of Amgen's subsidiaries, related or affiliated companies; all of Amgen's and its subsidiaries' and related or affiliated companies' predecessors and successors; and, with respect to each such entity, all of its past and present employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, employee benefit plans and programs (and the trustees, administrators, fiduciaries and insurers of such plans and programs) and any other persons acting by, through, under or in concert with any of the persons or entities listed in this Subparagraph.

2.2 **Claims Released**: Except as provided in Paragraph 2.4 of this Agreement, Employee releases (i.e., gives up) all known and unknown claims that Employee presently has against the Releasees. The claims released include all claims, promises, offers, debts, causes of action or similar rights of any type or nature Employee has or had against Releasees, including but not limited to those that in any way relate to: (a) Employee's employment with the Company or the termination of Employee's employment; (b) any claims for any type of compensation or benefits payable under any employee benefit, Company stock, compensatory or severance-related plan, arrangement or agreement; (c) any claims to attorneys' fees; (d) any claims arising out of or relating to Amgen's loan program, including without limitation, any loan agreement or promissory note facilitated by the Company and/or reflecting any monetary amount that Employee owes to the Company ("Amgen Note") and any origination and servicing activities related thereto; and (e) any other claims or demands Employee may have on any basis against the Releasees. The claims released, for example, may have arisen under any of the following statutes or common law doctrines:

2.2.1 **Anti-Discrimination Statutes**, such as Title VII of the Civil Rights Act of 1964; § 1981 of the Civil Rights Act of 1866 and Executive Order 11246; the Equal Pay Act; the Americans With Disabilities Act and § 503 and § 504 of the Rehabilitation Act of 1973; the Genetic Information Nondiscrimination Act of 2008; the California Fair Employment and Housing Act; the West Virginia Human Rights Act; and any other federal, state or local law or regulation prohibiting retaliation or discrimination on the basis of race, color, national origin, religion, gender, disability, age, marital status, sexual orientation, gender identity, genetic information or any other protected characteristic.

2.2.2 **Other Federal and State Statutes**, such as the following federal statutes and their state and local counterparts: the Worker Adjustment and Retraining Notification Act and its equivalent under California law (California Labor Code §§ 1400, *et seq.*); the Family and Medical Leave Act of 1993 and the California Family Rights Act; the False Claims Act; the New Jersey Conscientious Employee Protection Act; the Fair Credit Reporting Act; the Uniform Services Employment and Reemployment Rights Act; the Occupational Safety and Health Act; and the Employee Retirement Income Security Act of 1974 ("ERISA"), including any claims on behalf of an ERISA plan.

2.2.3 **Other Laws**, such as laws restricting an employer's right to terminate employees or otherwise regulating employment; enforcing express or implied employment contracts, or requiring an employer to deal with employees fairly or in good faith; California Labor Code §§ 200, *et seq*., or any other state statute or regulation that lawfully can be released relating to salary, commission, compensation, benefits and other matters; California Business & Professions Code §§ 17200, *et seq*., or any other state statute or regulation relating to unfair competition; California Private Attorneys General Act, California Labor Code § 2699, or any other state statute or regulation relating to the private enforcement of state labor codes; any applicable California Industrial Welfare Commission Order; any applicable federal, state or local statute or regulation relating to consumer financial services; and any other federal, state or local laws, whether based on statute, regulation or common law, providing recourse for alleged wrongful discharge, physical or personal injury, emotional distress, fraud, unfair competition, negligent misrepresentation, libel, slander, defamation and similar or related claims.

2.2.4 **Age Discrimination in Employment Act**:

2.2.4.1 Employee acknowledges and agrees that by signing this Agreement, in addition to the matters discussed above, Employee is waiving and releasing any and all claims or rights Employee may have under the Age Discrimination in Employment Act of 1967, as amended ("ADEA"), that this waiver and release is knowing and voluntary, and that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled as an employee of the Company.

2.2.4.2 Employee acknowledges and understands that Employee is advised that: (a) Employee should consult with an attorney (at Employee's own expense) prior to executing this Agreement (Employee understands that whether Employee consults an attorney or not is Employee's decision); (b) this Agreement does not waive or release any rights or claims Employee may have under the ADEA that may arise after Employee executes this Agreement; and (c) (i) Employee has at least twenty-one (21) days in which to consider this Agreement; (ii) Employee has seven (7) days following execution of this Agreement to revoke this Agreement (to be effective, any revocation must be received in writing by the Company by 12:00 a.m. Pacific Standard Time on the eighth day); and (iii) this Agreement shall not be effective until the revocation period has expired.

2.3 **Known and Unknown Claims; Suspected and Unsuspected Claims**: This Agreement covers both claims that Employee knows about or suspects, as well as those Employee does not know about or suspect. Employee expressly waives all rights afforded by any statute that limits the effect of a release with respect to unknown and unsuspected claims, including § 1542 of the Civil Code of the State of California, and any other similar state laws, which states as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR [EMPLOYEE] DOES NOT KNOW OR SUSPECT TO EXIST

IN HIS OR HER [EMPLOYEE'S] FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER [EMPLOYEE] MUST HAVE MATERIALLY AFFECTED HIS OR HER [EMPLOYEE'S] SETTLEMENT WITH THE DEBTOR [EMPLOYER]."

2.4 **Claims Not Released**: This Agreement does not release: (a) claims for vested benefits under the Amgen Retirement and Savings Plan, the Amgen Nonqualified Deferred Compensation Plan or the Amgen Inc. Supplemental Retirement Plan, that are unpaid as of the Termination Date; (b) Employee's ability to seek reimbursement for Eligible Medical Expenses (as defined in the Retiree Medical Savings Account Plan ("RMSA")) from benefit amounts vested under the RMSA, if applicable; (c) Employee's claims for payment of earned and unpaid wages due on Employee's final paycheck (if any) or reimbursement of business expenses owed to Employee pursuant to California Labor Code § 2802 or the equivalent law in the relevant jurisdiction; (d) any of Employee's rights pursuant to the terms of any grant agreements in connection with the grants of stock options, restricted stock, restricted stock units or performance units made to Employee by the Company under a Company stock plan; (e) Employee's right, if any, to claim government-provided unemployment benefits or workers compensation benefits; (f) Employee's right to enforce this Agreement; (g) any other claim or legal right that as a matter of law cannot be released or abridged by private agreement between the Company and Employee; (h)any rights or claims to indemnification or limitation of liability protections Employee may have under the certificate of incorporation, bylaws or other governance documents of the Company or any other corporation, partnership, joint venture, trust or other enterprise the Employee may have served as a director, officer, employee, trustee or agent; and (i) any rights or claims Employee may have under officer and director insurance policies or other insurance policies of the Company or any other corporation, partnership, joint venture, trust or other enterprise the Employee may have served as a director, officer, employee, trustee or agent.

2.5 **Ownership of Claims**: Employee represents that Employee has not assigned or transferred, or purported to assign or transfer, all or any part of any claim released by this Agreement.

3. EMPLOYEE'S PROMISES

In addition to the release of claims provided for in Paragraph 2, Employee also agrees to the following:

3.1 **Employee's Representations**:

3.1.1 Employee represents and warrants that Employee has not breached and will not breach any portion of the PIIA or any similar agreements that Employee may have executed at the Company or any of its predecessors. Employee further acknowledges that the PIIA remains in full force and effect and contains obligations surviving the termination of Employee's employment. Employee hereby reaffirms Employee's understanding of those surviving obligations.

3.1.2 Employee represents and warrants that, with the exception of any pending claims for Workers' Compensation benefits that have been submitted in writing to the Company prior to the Company issuing notice to Employee of Employee's termination, Employee has not suffered any job-related injury for which Employee might be entitled to compensation or relief.

3.1.3 Employee represents and warrants that, under the Family and Medical Leave Act of 1993, as amended, and/or any state or local counterpart (collectively, "FMLA"), Employee (a) has received all leave required and currently does not, and in the past did not, have any claim for denial of any such leave, and (b) does not claim that the Company violated or denied Employee rights under the FMLA or retaliated against Employee in any way for exercising rights under the FMLA.

3.1.4 Employee represents and warrants that, except as set forth in this Agreement, Employee has received all benefits and other payments from the Company to which Employee is or would be entitled and that the Company has no additional outstanding obligations to Employee other than those expressly set forth in this Agreement.

3.1.5 Employee represents and warrants that Employee is not aware of any facts that would establish, tend to establish or in any way support an allegation that any Releasee has engaged in conduct that Employee believes could violate: (1) any provision of federal law relating to fraud (including but not limited to the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") and/or any state or local counterpart); (2) the Securities Exchange Act of 1934 or any rule or regulation of the Securities and Exchange Commission; (3) the federal False Claims Act and/or any state or local or municipal qui tam counterpart (which prohibit the presentation by the Company or any affiliate of false claims and statements or the creation of false records or statements in order to obtain payment of federal, state, county or municipal funds, or to avoid refunds of such government funds); and (4) any other federal, state or local law.

3.1.6 Employee represents that Employee will return to the Company on or before the Termination Date all Company property (physical or electronic) in reasonable condition, including but not limited to all files, memoranda, documents, records, copies of the foregoing, automobiles, credit cards, keys, badges, business cards, library books, key fobs, computers, laptops, removable media or other portable storage devices (e.g., USB drives), cell phones, telephones, pagers and personal digital assistants (PDAs) in Employee's custody or control; and that Employee has not compromised, corrupted, misappropriated, damaged or inappropriately shared, uploaded or downloaded data belonging or relating to the Company's computer systems or its business. Employee further represents that (a) Employee will pay any outstanding balance on Employee's Company-provided credit or debit card prior to the Termination Date and, if such balance is not paid by the Termination Date, the Company may deduct any monies owed from the Cash Severance Payment set forth in Subparagraph 1.3.1; and (b) all requests for reimbursement of business expenses covered by California Labor Code § 2802 will be submitted in accordance with Company policy prior to the Termination Date.

3.2 **No Pursuit of Released Claims**: Employee promises never to file, prosecute, or join a lawsuit or other complaint or charge asserting claims that are released by this Agreement, including claims brought on behalf of Employee in a class, collective or representative action. If Employee has filed, submitted or caused to be filed or submitted any such charge, claim or complaint, Employee has, on or before the date when Employee signs this Agreement, submitted a written request to the court or agency requesting the dismissal or withdrawal of

that charge, claim or complaint with prejudice, and Employee has attached a copy of the request for dismissal or withdrawal hereto. Notwithstanding the foregoing, this Agreement does not (a) limit or affect Employee's right to challenge the validity of this Release under the ADEA or Older Workers Benefit Protection Act or (b) preclude Employee from filing an administrative charge or otherwise communicating with any other federal, state or local government office, official or agency. Employee promises never to seek or accept any damages, remedies or other relief for Employee personally with respect to any claim released by Paragraph 2 of this Agreement.

3.3 **Assignment of Qui Tam Proceeds**: In order to ensure that Employee has complied with his or her obligations under this Agreement, and to the fullest extent permitted by law, Employee irrevocably assigns to the federal government, or relevant state or local government, any right Employee may have to any proceeds, bounties or awards in connection with any claims filed by or on behalf of the government under any laws, including but not limited to, the False Claims Act and/or the Dodd-Frank Act (and/or any state or local counterparts of these federal statutes or any other federal, state or local qui tam or "bounty" statute) against the Releasees. Employee also represents and promises that Employee will deliver any such proceeds, bounties or awards to the United States government (or other governmental unit entitled by reason of the assignment to have them).

3.4 **No Future Employment**: Employee understands that Employee's employment with the Company will terminate as of the Termination Date, and Employee promises never to seek employment with the Company in the future (including but not limited to employment as an employee or engagement as a consultant, temporary employee or contractor).

3.5 **References/Inquiries**: Employee will direct all third-party inquiries regarding Employee's employment to "The Work Number" at 1-800-367-5690. Employee understands that The Work Number shares the following information about Employee: the dates of Employee's employment at the Company and the last position Employee held as a Company employee.

3.6 **Employee Not to Harm the Company**: Employee agrees not to criticize, denigrate or otherwise disparage the Company, any other Releasee, or any of the Company's products, processes, experiments, policies, practices, standards of business conduct or areas or techniques of research; provided, however, that nothing in this Agreement will prohibit Employee from (a) complying with any valid subpoena or court order in accordance with this Agreement; or (b) initiating or cooperating with any official government investigation.

3.7 **Transition Services:** Employee agrees to reasonably assist the Company in transitioning his responsibilities and with matters that arose during his tenure with the Company. For services rendered subsequent to the Termination Date, the Company will compensate Employee at the rate of $1,200 hour for his time in providing these services. In rendering these services following the Termination Date, Employee acknowledges that he will be functioning as an independent contractor and will not be an employee of the Company, nor will Employee be entitled to any benefits other than those expressly set forth in this Agreement.

3.8 **Agreement to Cooperate With the Company**: Employee agrees to cooperate with the Company in any formal or informal legal matters in which Employee is named as a party or about which Employee has knowledge relevant to the matter. Employee acknowledges and agrees that such cooperation includes executing declarations or similar documents; testifying

or otherwise appearing at depositions, arbitrations or court hearings; and preparing for the above-described or similar activities. Employee understands that Employee will receive no additional compensation for Employee's cooperation beyond that expressly provided in this Agreement, with the exception of reasonable out-of-pocket expenses pre-approved by the Company, and that Employee in rendering such services will not be an employee of the Company.

3.9 **Resignation:** To the extent Employee has not already done so prior to the Termination Date, Employee resigns from any officer or director position he holds with the Company effective as of the Termination Date.

3.10 **Agreement to Notify Company Prior to Providing Company Information**: In the event Employee receives notice that Employee is required to provide testimony or information in any context about the Company and/or any Releasee (related to Releasee's work for the Company) to any third party (excluding government entities), Employee agrees to inform the Office of the General Counsel of Amgen Inc. in writing at One Amgen Center Drive, Mail Stop 38-5-A, Thousand Oaks, CA 91320-1799 within 24 hours of receiving such notice. Employee, thereafter, agrees to cooperate with the Company in responding (if necessary) to such legal process. To the extent legally permissible, Employee also agrees not to testify or provide any information if the Company has informed Employee of its intent to contest the validity or enforceability of any request, subpoena or court order until such time as the Company has informed Employee in writing that it consents to Employee's testimony or has fully exhausted its efforts to challenge any such request, subpoena or court order. If Employee is required to provide testimony about the Company, Employee shall testify truthfully at all times.

4. COMPANY'S PROMISES

4.1 **Non-disparagement:** The Company agrees not to issue any statements that criticize, denigrate or otherwise disparage Employee; provided however, that nothing in this Agreement will prohibit the Company from (a) complying with any valid subpoena or court order, (b) initiating or cooperating with any official government investigation, (c) making any statements to its outside auditors or attorneys, or (d) making such public disclosures as it determines in its sole discretion are required by law.

4.2 **Indemnification:** The Company will not amend indemnification provisions in its bylaws in a manner that is adverse to Employee and does not generally apply to all directors, officers, employees or agents.

4.3 **Claims Against Employee:** Neither the Company nor any other corporation, partnership, joint venture, trust or other enterprise the Employee may have served as a director, employee, trustee or agent currently is aware of any claims it or they may have against Employee.

5. NON-ADMISSION OF LIABILITY

The Company does not believe or admit that it or any other Releasee has done anything wrong and specifically disclaims any liability to Employee. Employee agrees that this Agreement shall not be admissible in any forum for any purpose other than the enforcement of its terms or challenge to its validity.

6. TAX TREATMENT

6.1 **Tax Responsibility:** Employee acknowledges and agrees that Employee, and not the Company, will be solely responsible for any taxes imposed upon Employee as a result of entering into this Agreement (except for those payroll taxes paid by the Company). Any payments or benefits paid to Employee will be reported to taxing authorities as the Company deems appropriate.

6.2 **409A:**

(i) "Section 409A Threshold" shall mean an amount equal to two times the lesser of (i) Employee's base salary for services provided to Amgen and any Amgen Affiliate as an employee for the calendar year preceding the calendar year in which Employee has a Separation from Service; or (ii) the maximum amount that may be taken into account under a qualified plan in accordance with Internal Revenue Code Section 401(a)(17) for the calendar year in which the Employee has a Separation from Service. In all events, this amount shall be limited to the amount specified under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A) or any successor thereto.

(ii) "Separation from Service" shall mean a "separation from service" with Amgen (including any Amgen affiliate) within the meaning of Code Section 409A (and regulations issued thereunder). Notwithstanding anything herein to the contrary, the fact that Employee is treated as having incurred a Separation from Service under Code Section 409A and the terms of this Agreement shall not be determinative, or in any way affect the analysis, of whether Employee has retired, terminated employment, separated from service, incurred a severance from employment or become entitled to a distribution, under the terms of any retirement plan (including pension plans and 401(k) savings plans) maintained by Amgen (including by an Amgen affiliate).

(iii) "Specified Employee" shall mean a "specified employee" under Code Section 409A (and regulations issued thereunder). If the Employee is a "specified employee" as such term is defined for purposes of Section 409A, to the extent necessary to avoid imposition of penalties under Section 409A on either Amgen or the Employee, no payment of deferred compensation shall be made to such Employee for the first six months following a Separation from Service, but shall be accumulated and paid on the first day of the seventh month following such separation, with remaining payments, if any, paid in accordance with the otherwise applicable payment terms.

(iv) Section 409A Compliance. To the extent that a payment or benefit under this Agreement is subject to Code Section 409A, it is intended that this Agreement as applied to that payment or benefit comply with the requirements of Code Section 409A, and the Agreement shall be administered and interpreted consistent with this intent. Each payment of Salary Continuation and Bonus on each regular salary payroll date, and each other payment of other Severance Benefits occurring on a particular date, shall be treated as a separate "payment," as defined in Treasury Regulations Section 1.409A-2(b)(2), for purposes of Code Section 409A.

7. ENFORCEMENT

7.1 **General Consequences**: If any of Employee's representations in this Agreement or the Re-Execution Agreement are materially false or if Employee commits a material breach of any of Employee's promises in this Agreement and the Re-Execution Agreement, for example, and without limiting the generality of the foregoing, (a) by failing to fulfill Employee's obligations under Paragraphs 3.7 and 3.8 of this Agreement to cooperate and provide transition services, (b) by committing a material breach of the PIIA, or (c) by bringing a lawsuit based on claims that Employee has released, Employee (i) shall forfeit all right to future benefits under this Agreement; (ii) upon the Company's demand shall repay all benefits previously received pursuant to Paragraph 1.3.1 of this Agreement, and (iii) shall pay reasonable attorneys' fees and all other costs incurred as a result of Employee's breach or false representation, such as the cost of defending any suit brought with respect to a released claim by Employee. In addition to the remedies provided above, if Employee breaches this Agreement or the Re-Execution Agreement by bringing suit based on claims that Employee has released, then Employee shall also be required to repay the benefits received under Paragraph 1.3.2 of this Agreement; provided however, that five percent (5%) of the payment set forth in Paragraph 1.3.2 of this Agreement will be exempt from this repayment provision and will constitute consideration for the release of claims set forth in Paragraph 2. This Paragraph shall not be applicable to challenges to the validity of this Agreement or the Re-Execution Agreement under the ADEA or Older Workers Benefit Protection Act ("OWBPA"), nor will the Company seek any damages of any sort against Employee for Employee's having made such a challenge to the validity of this Agreement or the Re-Execution Agreement under the ADEA or OWBPA. The Company agrees to provide Employee with notice of any breach that it believes triggers the remedies set forth in this Paragraph 7.1 and provide Employee with ten (10) days within which to cure the breach to the extent the breach is curable.

7.2 **Injunctive Relief**: Employee further agrees that the Company would be irreparably harmed by any actual or threatened breach of this Agreement, including but not limited to failure to fulfill Employee's obligations under Paragraphs 3.7 and 3.8 of this Agreement and Employee's use or disclosure of information that is prohibited by the PIIA and this Agreement, and that the Company shall be entitled to an injunction prohibiting Employee from continuing or committing any such violation, including temporary and preliminary injunctive relief in advance of any permanent injunction.

8. CHOICE OF LAWS

This Agreement will be governed by, and will be construed and enforced in accordance with, the substantive laws of the state where Employee last worked for the Company, without regard to principles of conflicts of laws, as applied to contracts entered into and to be performed entirely within such state by its residents.

9. SUCCESSORS; IMPLEMENTATION

9.1 **Successors and Assigns**: This Agreement will bind Employee's heirs, administrators, representatives, executors, successors and assigns, and will inure to the benefit of all Releasees and their respective heirs, administrators, representatives, executors, successors and assigns.

9.2 **No Assignment**: Employee's rights, duties or obligations under this Agreement may not be assigned, delegated or transferred.

9.3 **Interpretation**: This Agreement will be construed as a whole according to its fair meaning, and not strictly for or against any of the parties.

9.4 **Counterparts**: This Agreement may be executed in counterparts, each of which shall be considered an original, but all of which together shall constitute one and the same instrument.

9.5 **Implementation**: The Company and Employee both agree that, without the receipt of additional consideration, they will sign and deliver any documents and do anything else that is necessary in the future to make the provisions of this Agreement effective.

10. ENTIRE AGREEMENT

10.1 **Entire Agreement**: This Agreement (including any Appendices), any Publication Election Form, the PIIA, any agreements granting stock options, restricted stock units, performance units, or other awards to Employee under any Company stock plan, any arbitration agreement between the Company and Employee and any Amgen Note: (a) comprise the entire agreement between the Company and Employee relating to Employee's termination of employment and the subjects covered in this Agreement; and (b) supersede any prior or contemporaneous agreement, arrangement or understanding on their subject matter. None of them may be modified or cancelled in any manner except by a writing signed by Amgen's Senior Vice President of Human Resources, or his or her designee, and Employee.

10.2 **No Additional Promises**: Employee acknowledges that the Company has made no representations or promises to Employee on subjects covered in this Agreement other than those contained in this Agreement and that Employee is not relying on any such representations or promises when signing this Agreement.

10.3 **Review and Consent**: Employee acknowledges and agrees that Employee was given a copy of this Agreement and has carefully read it and understands it, that Employee has been given the opportunity to consult with Employee's attorney regarding this Agreement, and that Employee has entered into this Agreement voluntarily and with full knowledge of its final and binding effect. In addition, Employee represents and warrants that Employee has at no time felt compelled, obligated or pressured in any manner, by any person or entity affiliated with the Company, to execute to this Agreement.

10.4 **Severability**: The provisions of this Agreement are severable. If any one or more of its provisions are held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not be affected or impaired in any way; provided, however, that if the release of claims in Paragraph 2 of this Agreement is found to be invalid, illegal or unenforceable in its entirety for any reason, the Agreement shall be void and Employee shall immediately tender back, by certified check delivered to Amgen, all payments (if any) received under Paragraph 1.3.1 and 1.3.2 of this Agreement.

SIGNATURE PAGE

INSTRUCTIONS

- You are advised to consult with an attorney, at your own expense, before you sign this Agreement.
- You must (a) sign and date this Agreement and print or type your name and Staff ID number where indicated below, and (b) return the original fully executed Agreement so that it is received by ELG Access, Amgen Inc., One Amgen Center Drive, Mail Stop 28-2-B, Thousand Oaks, California 91320-1799, within five (5) business days of the date on which you signed it.
- You have up to twenty-one (21) days after receiving this Agreement to consider and sign it, although you may waive this time period by signing it sooner.
- You have another seven (7) days after signing this Agreement in which to revoke this Agreement, and this Agreement does not take effect until that seven-day period has ended.

Please read this Agreement carefully. It contains a release of all known and unknown, suspected and unsuspected claims.

Acknowledged and Agreed:

EMPLOYEE

/s/ JONATHAN PEACOCK	107204
Employee's Signature	Employee's Staff ID Number
Jonathan Peacock	1/9/14
Employee's Name (Print or Type)	Date

AMGEN INC.

/s/ STUART TROSS

By: Stuart Tross
Senior Vice President, Human Resources

APPENDIX A -- STATEMENT OF BENEFITS

Employee Name: Jonathan M. Peacock

Employee No.: 107204

Termination Date: May 2, 2014

The benefits set forth below in this Statement of Benefits are subject to all provisions of the Agreement and General Release of Claims:

1. **Cash Severance Payment**: Two Million Six Hundred Thousand Dollars ($2,600,000)

2. **COBRA**: Up to Eighteen (18) Months of Company-paid COBRA coverage commencing as of Employee's Termination Date

3. **Outplacement Services:** Twelve (12) Months

APPENDIX B

RE-EXECUTION AGREEMENT

I will receive the benefits set forth in Paragraphs 1.3.1, 1.3.2, 1.3.3, and 1.3.4 of the Agreement and the corresponding sections of the Statement of Benefits, minus all applicable taxes, withholdings and deductions required by law, only after I execute this Re-Execution Agreement after my Termination Date by the deadline stated in the boxed text in this Re-Execution Agreement immediately below, and do not revoke my re-execution. I may revoke my execution of this Re-Execution Agreement (but not my original execution of the Agreement) as provided for in the boxed text in this Re-Execution Agreement immediately below. By signing this Re-Execution Agreement, I am reaffirming my obligations under the Agreement and the complete release of claims set forth in Paragraph 2 of the Agreement such that the release and waiver of all claims set forth in Paragraph 2 of the Agreement runs through the date of my execution of this Re-Execution Agreement. I understand that by signing this Re-Execution Agreement, I am releasing and waiving all claims released and waived under Paragraph 2 of the Agreement that may have accrued through the date of my execution of this Re-Execution Agreement.

This Re-Execution Agreement covers both claims that Employee knows about or suspects as well as those Employee does not know about or does not suspect. Employee understands the significance of Employee's release of unknown and unsuspected claims and Employee's waiver of statutory protection against a release of unknown claims and/or unsuspected claims. Employee expressly waives all rights afforded by any statute which limits the effect of a release with respect to unknown and unsuspected claims. Employee expressly waives the protection of § 1542 of the Civil Code of the State of California and any other similar state laws. Section 1542 of the Civil Code of the State of California states as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR [EMPLOYEE] DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER [EMPLOYEE'S] FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER [EMPLOYEE] MUST HAVE MATERIALLY AFFECTED HIS OR HER [EMPLOYEE'S] SETTLEMENT WITH THE DEBTOR [EMPLOYER]."

Employee represents that Employee has returned to the Company all Company property (physical or electronic) in reasonable condition, including but not limited to all files, memoranda, documents, records, copies of the foregoing, automobiles, credit cards, keys, badges, business cards, library books, key fobs, computers, laptops, removable media or other portable storage devices (e.g., USB drives), cell phones, telephones, pagers and personal digital assistants (PDAs) in Employee's custody or control; that Employee has updated, signed and returned to the Company any and all lab notebooks, including Research and Translational Sciences notebooks; and that Employee has not compromised, corrupted, misappropriated, damaged or inappropriately shared, uploaded or downloaded data belonging or relating to the Company's computer systems or its business. Employee further represents that (a) Employee has paid any outstanding balance on Employee's Company-provided credit or debit card prior to the Termination Date and, if such balance is not paid by the Termination Date, the Company may deduct any monies owed from the Cash Severance Payment set forth in Subparagraph 1.3.1; and (b) all requests for reimbursement of business expenses covered by California Labor Code § 2802 have been submitted in accordance with Company policy prior to the Termination Date.

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INSTRUCTIONS

- **YOU MAY NOT SIGN THIS RE-EXECUTION AGREEMENT UNTIL THE DAY FOLLOWING YOUR TERMINATION DATE.**
- **YOU MAY NOT MAKE ANY CHANGES TO THE TERMS OF THIS RE-EXECUTION AGREEMENT. BEFORE SIGNING THIS RE-EXECUTION AGREEMENT, READ IT CAREFULLY, AND THE COMPANY SUGGESTS THAT YOU DISCUSS IT WITH YOUR ATTORNEY (AT YOUR OWN EXPENSE). BY SIGNING IT YOU WILL BE WAIVING YOUR KNOWN AND UNKNOWN CLAIMS. AFTER YOUR EMPLOYMENT ENDS, YOU MUST SIGN THIS RE-EXECUTION AGREEMENT TO RECEIVE THE SPECIAL PAYMENTS OR BENEFITS THAT ARE ONLY PAYABLE IF YOU SIGN THIS RE-EXECUTION AGREEMENT.**
- **YOU WILL HAVE TWENTY-ONE (21) DAYS FROM YOUR TERMINATION DATE TO SIGN THIS RE-EXECUTION AGREEMENT, AND SEVEN (7) DAYS TO REVOKE IT. YOU MUST RETURN YOUR RE-EXECUTED AGREEMENT TO AMGEN INC., ONE AMGEN CENTER DRIVE, MAIL STOP 28-2-B, THOUSAND OAKS, CALIFORNIA 91320-1799 SO THAT IT IS RECEIVED WITHIN FIVE (5) BUSINESS DAYS OF THE DATE ON WHICH YOU SIGN IT. IF EMPLOYEE TIMELY EXECUTES THIS RE-EXECUTION AGREEMENT AND RETURNS IT TO ELG ACCESS, AND DOES NOT REVOKE SUCH EXECUTION WITHIN SEVEN DAYS, THEN THIS RE-EXECUTION AGREEMENT WILL BECOME EFFECTIVE ON THE EIGHTH DAY AFTER EMPLOYEE HAS EXECUTED THIS RE-EXECUTION AGREEMENT ("RE-EXECUTION EFFECTIVE DATE").**
- **YOU MAY REVOKE THIS RE-EXECUTION AGREEMENT. YOU MUST DELIVER YOUR WRITTEN NOTICE OF REVOCATION TO ELG ACCESS BEFORE SEVEN (7) 24-HOUR PERIODS EXPIRE FROM YOUR RE-EXECUTION. IF YOU REVOKE YOUR RE-EXECUTION, THE ORIGINAL AGREEMENT WILL REMAIN IN EFFECT AND YOU WILL NOT RECEIVE THE PAYMENTS OR BENEFITS THAT ONLY ARE PAYABLE IF YOU SIGN THIS RE-EXECUTION AGREEMENT.**

Executed after my last day of employment on this ____day of _____ 2014.

_____ _____

Employee's Signature Employee's Staff ID Number

_____ _____

Employee's Name (Print or Type) Date (no earlier than the day following your Termination Date)

Exhibit 21

AMGEN INC.

The following is a list of subsidiaries of the Company as of December 31, 2013, omitting some subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary.

SUBSIDIARY (Name under which subsidiary does business)	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION
Amgen (Europe) GmbH	Switzerland
Amgen Fremont Inc.	Delaware
Amgen Global Finance B.V.	Netherlands
Amgen Manufacturing, Limited	Bermuda
Amgen Research (Munich) GmbH	Germany
Amgen Rockville, Inc.	Delaware
Amgen SF, LLC	Delaware
Amgen Technology (Ireland)	Ireland
Amgen Technology, Limited	Bermuda
Amgen USA Inc.	Delaware
Amgen Worldwide Holdings B.V.	Netherlands
ATL Holdings Limited	Bermuda
Immunex Corporation	Washington
Onyx Pharmaceuticals, Inc.	Delaware
Onyx Pharmaceuticals International GmbH	Switzerland
Onyx Therapeutics, Inc.	Delaware

Exhibit 31

CERTIFICATIONS

I, Robert A. Bradway, Chairman of the Board, Chief Executive Officer and President of Amgen Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Amgen Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and

   (d) Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2014

/s/ ROBERT A. BRADWAY

Robert A. Bradway
Chairman of the Board,
Chief Executive Officer and President

CERTIFICATIONS

I, Michael A. Kelly, Acting Chief Financial Officer of Amgen Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Amgen Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and

   (d) Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2014

/s/ MICHAEL A. KELLY

Michael A. Kelly
Acting Chief Financial Officer

Exhibit 32

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Amgen Inc. (the "Company") hereby certifies that:

(i) the accompanying Annual Report on Form 10-K of the Company for the period ended December 31, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 24, 2014

/s/ Robert A. Bradway

Robert A. Bradway

Chairman of the Board, Chief Executive Officer and President

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Amgen Inc. and will be retained by Amgen Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Amgen Inc. (the "Company") hereby certifies that:

(i) the accompanying Annual Report on Form 10-K of the Company for the period ended December 31, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 24, 2014

/s/ MICHAEL A. KELLY

Michael A. Kelly
Acting Chief Financial Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Amgen Inc. and will be retained by Amgen Inc. and furnished to the Securities and Exchange Commission or its staff upon request.