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

	Three months ended March 31,				
		2014	:	2013	
Revenues:			•		
Product sales	\$	4,356	\$	4,151	
Other revenues		165		87	
Total revenues		4,521		4,238	
Operating expenses:					
Cost of sales		1,090		744	
Research and development		1,027		878	
Selling, general and administrative		1,023		1,158	
Other		17		16	
Total operating expenses		3,157		2,796	
Operating income		1,364		1,442	
Interest expense, net		259		263	
Interest and other income, net		99		164	
Income before income taxes		1,204		1,343	
Provision (benefit) for income taxes		131		(91)	
Net income	\$	1,073	\$	1,434	
Earnings per share:					
Basic	\$	1.42	\$	1.91	
Diluted	\$	1.40	\$	1.88	
Average shares used in calculation of earnings per share:					
Basic		757		751	
Diluted		768		764	

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

	March 31, 2014		ember 31, 2013
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	\$	19,802	\$ 19,401
Trade receivables, net		2,514	2,697
Inventories		2,966	3,019
Other current assets		3,020	2,250
Total current assets		28,302	27,367
Property, plant and equipment, net		5,365	5,349
Intangible assets, net		13,566	13,262
Goodwill		14,832	14,968
Restricted investments		3,414	3,412
Other assets		1,525	1,767
Total assets	\$	67,004	\$ 66,125
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	\$	5,698	\$ 5,442
Current portion of long-term debt		2,505	2,505
Total current liabilities		8,203	7,947
Long-term debt		29,519	29,623
Other non-current liabilities		6,541	6,459
Stockholders' equity		22,741	 22,096
Total liabilities and stockholders' equity	\$	67,004	\$ 66,125
Shares outstanding		757	755

CAAP cost of sales         \$ 1,000         \$ 7.44           Adjustments to cost of sales:         (404)         7.71           Acquisition-related expenses (a)         (404)         (77)           Stock option expense         (408)         (73)           Adjustments to cost of sales         (408)         (73)           Adjustments for esserch and development expenses:         \$ 1,027         \$ 878           Adjustments for research and development expenses:         \$ 2,03         (22)           Adjustments for research and development expenses:         \$ 2,03         (23)           Adjustments for search and development expenses:         \$ 1,02         (26)           Adjustments for search and development expenses:         \$ 1,02         (26)           Adjustments for search and development expenses:         \$ 1,02         (26)           Adjustments for search and administrative expenses:         \$ 1,02         (26)           Adjustments for search and administrative expenses:         \$ 1,02         (26)           Adjustments to selling, general and administrative expenses:         \$ 1,02         (26)           Adjustments to selling, general and administrative expenses:         \$ 2,0         (27)           Adjustments to selling, general and administrative expenses:         \$ 2,0         (27)		т	hree mor Marc		ths ended		
Adjustments to cost of sales:		_					
Adjustments to cost of sales   (7)   (7	GAAP cost of sales	\$	1,090	\$	744		
Case	·		(404)		(74)		
Total adjustments to cost of sales			. ,				
GAP research and development expenses         \$ 1,027         \$ 1878           Adjustments to research and development expenses:         ————————————————————————————————————							
Adjustments to research and development expenses:   Acquisition-related expenses ( )	Adjusted cost of sales	\$	684	\$	671		
Acquaisition-related expenses (b)   Co.     Total adjustments to research and development expenses   Co.     Adjusted research and development expenses   Co.     Adjusted research and development expenses   Co.     Co.	GAAP research and development expenses	\$	1,027	\$	878		
Total adjustments to research and development expenses   3, 36, 27, 36, 36, 36, 36, 36, 36, 36, 36, 36, 36			(0.1)		(0.0)		
Total adjustments to research and development expenses   3.03   5.05	· · · · · · · · · · · · · · · · · · ·				. ,		
GAAP selling, general and administrative expenses:         \$ 1,023         \$ 1,158           Adjustments to selling, general and administrative expenses:         (38)         (10)           Stock option expense         (90)         (10)           Total adjustments to selling, general and administrative expenses         (90)         (10)           Adjusted setting, general and administrative expenses         (983)         \$ 1,144           GAAP operating expenses:         (400)         (73)           Adjustments to operating expenses:         (400)         (73)           Adjustments to cost of sales         (400)         (73)           Adjustments to cost of sales         (400)         (10)           Adjustments to operating expenses         (400)         (10)           Adjustments to selling, general and administrative expenses         (400)         (73)           Adjustments to operating expenses         (400)         (73)           Adjustments to selling, general and administrative expenses         (400)         (10)           Adjustments to selling, general and administrative expenses         (400)         (10)           Adjustments to selling, general and administrative expenses         (400)         (10)           Adjustments to selling, general and administrative expenses         (400)         (10)							
Adjustments to selling, general and administrative expenses:   3	Adjusted research and development expenses	\$	994	\$	851		
Adjustments to selling, general and administrative expenses (	GAAP selling, general and administrative expenses	\$	1,023	\$	1,158		
Camp	Adjustments to selling, general and administrative expenses:						
Total adjustments to selling, general and administrative expenses   (40)   (14)							
GAAP operating expenses         \$ 3,157         \$ 2,796           Adjustments to operating expenses:         (406)         (73)           Adjustments to crost of sales         (406)         (73)           Adjustments to research and development expenses         (40)         (14)           Adjustments to selling, general and administrative expenses         (40)         (14)           Charlan charges pursuant to our efforts to improve cost efficiencies in our operations (c)         (15)							
Adjustments to operating expenses:         4(406)         7(3)           Adjustments to research and development expenses         (33)         2(27)           Adjustments to selling, general and administrative expenses         (40)         (11)           Certain changes pursuant to our efforts to improve cost efficiencies in our operations (c)         (15)         -           Chertain changes pursuant to our efforts to improve cost efficiencies in our operations (c)         (406)         (130)           Chertain changes pursuant to our efforts to improve cost efficiencies in our operations (c)         (496)         (130)           Adjusted operating expenses         (496)         (130)         (496)           Adjusted operating income         \$ 1,364         \$ 1,442           Adjustments to operating expenses         496         130           Adjustments to operating expenses         496         130           Adjustments to other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income taxes         \$ (160)         \$ (99)           Adjustments to income before income taxes         \$ (160)         \$ (170)           Adjustments to income before income taxes         \$ (160)         \$ (170)           Adjustments to income before i	· · · · · · · · · · · · · · · · · · ·	\$		\$	1,144		
Adjustments to operating expenses:         406         73           Adjustments to research and development expenses         33         27           Adjustments to selling, general and administrative expenses         40         115           Certain charges pursuant to our efforts to improve cost efficiencies in our operations (c)         15         -           Chertain charges pursuant to our efforts to improve cost efficiencies in our operations (c)         20         (16)         130           Total adjustments to operating expenses         496         130         2,666         466         130           Adjusted operating income         \$ 1,364         \$ 1,442         496         130         466         130         466         140         466         130         466         140         466         140         466         130         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466         140         466	GAAP operating expenses	\$	3.157	\$	2.796		
Adjustments to research and development expenses	·		,		,		
Adjustments to selling, general and administrative expenses         (40)         (14)           Cettain charges pursuant to our efforts to improve cost efficiencies in our operations (c)         (15)         ————————————————————————————————————			. ,		. ,		
Catain charges pursuant to our efforts to improve cost efficiencies in our operations (c)         (15)         (2)         (16)           Other (d)         (2)         (16)         (20)         (16)           Total adjustments to operating expenses         (496)         (130)           Adjusted operating income         \$ 1,364         \$ 1,442           Adjustments to operating expenses         496         130           Adjusted operating income         \$ 1,860         \$ 1,572           GAAP other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income/(expense)         \$ (160)         \$ (99)           Adjustments to income (expense)         \$ (160)         \$ (99)           Adjustments to income taxes         \$ (160)         \$ (87)           Adjustments to income taxes         \$ (160)         \$ (17)           Adjustments to income taxes         \$ (160)         \$ (17)           Adjustments to income taxes         \$ (17)         \$ (17) </td <td>· · · · · · · · · · · · · · · · · · ·</td> <td></td> <td>. ,</td> <td></td> <td>. ,</td>	· · · · · · · · · · · · · · · · · · ·		. ,		. ,		
Total adjustments to operating expenses         (496)         (130)           Adjusted operating expenses         2,666         2,666           GAAP operating income         \$ 1,364         \$ 1,442           Adjustments to operating expenses         496         130           Adjusted operating income         \$ 1,860         \$ 1,572           GAAP other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income/(expense):         \$ (160)         \$ (99)           Adjustments to income/(expense)         \$ (160)         \$ (87)           GAAP income before income taxes         \$ (160)         \$ (87)           Adjustments to income before income taxes:         496         130           Adjustments to income before income taxes:         496         130           Non-cash interest expense associated with our convertible notes         496         130           Non-cash interest expense associated with our convertible notes         496         130           Adjustments to income before income taxes:         496         130           Adjustments to perating expenses associated with our convertible notes         496         130           GAAP provision/(benefit) for income taxes         496         130         148           Adjustments to provision/(benefit) for income taxes			. ,		-		
Adjusted operating expenses         \$ 2,6661         \$ 2,6661           GAAP operating income         \$ 1,364         \$ 1,442           Adjustments to operating expenses         496         130           Adjusted operating income         \$ (160)         \$ (192)           GAAP other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income/(expense):         \$ (160)         \$ (87)           Non-cash interest expense associated with our convertible notes         \$ (160)         \$ (87)           GAAP income before income taxes         \$ (160)         \$ (87)           Adjustments to income before income taxes         \$ (180)         \$ (87)           Adjustments to income before income taxes         \$ (180)         \$ (180)           Adjustments to income before income taxes         \$ (180)         \$ (180)           Adjusted income before income taxes         \$ (180)         \$ (180)           GAAP provision/(benefit) for income taxes         \$ (180)         \$ (180)           GAAP provision/(benefit) for income taxes         \$ (181)         \$ (180)           Adjustments to provision/(benefit) for income taxes         \$ (181)         \$ (180)           Adjustments to provision/(benefit) for income taxes         \$ (181)         \$ (181)           Adjustments to provision/(benefit)	· ·						
GAAP operating income         \$ 1,364         \$ 1,442           Adjustments to operating expenses         496         130           Adjusted operating income         \$ 1,860         \$ 1,572           GAAP other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income/(expense):         -         12           Non-cash interest expense associated with our convertible notes         -         12           Adjusted other income/(expense)         \$ (160)         \$ (87)           GAAP income before income taxes         -         12           Adjustments to income before income taxes         496         130           Non-cash interest expense associated with our convertible notes         -         12           Adjustments to income before income taxes         496         130           Non-cash interest expense associated with our convertible notes         -         12           Total adjustments to income before income taxes         496         140           Adjusted income before income taxes         \$ 130         148           GAAP provision/(benefit) for income taxes         \$ 131         \$ (91)           Adjustments to provision/(benefit) for income taxes         131         40           Other income tax adjustments (f)         -         36 <t< td=""><td></td><td>\$</td><td></td><td>\$</td><td></td></t<>		\$		\$			
Adjustments to operating expenses         496         130           Adjusted operating income         \$ 1,860         \$ 1,572           GAAP other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income/(expense):         \$ (160)         \$ (80)           Non-cash interest expense associated with our convertible notes         \$ (160)         \$ (87)           GAAP income before income taxes         \$ (160)         \$ (87)           Adjustments to income before income taxes:         496         130           Adjustments to operating expenses         496         130           Non-cash interest expense associated with our convertible notes         496         142           Total adjustments to income before income taxes         496         142           Adjusted income before income taxes         496         142           Adjusted income before income taxes         131         (91)           GAAP provision/(benefit) for income taxes         131         40           Other income tax adjustments (e)         131         40           Other income tax adjustments (f)         131         78           Adjustments to net income         \$ 1,073         \$ 1,434           CAAP net income         \$ 1,073         \$ 1,434           Adjustments t	, , , , , ,						
Adjusted operating income         \$ 1,860         \$ 1,572           GAAP other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income/(expense):         \$ 12           Non-cash interest expense associated with our convertible notes         \$ 1,204         \$ 1,343           Adjusted other income taxes         \$ 1,204         \$ 1,343           Adjustments to income before income taxes:         \$ 496         130           Adjustments to operating expenses         496         142           Total adjustments to income before income taxes         496         142           Adjusted income before income taxes         496         142           Adjusted income before income taxes         496         142           Adjusted income before income taxes         1,700         \$ 1,485           GAAP provision/(benefit) for income taxes         131         \$ 0           Adjustments to provision/(benefit) for income taxes         131         \$ 0           Adjustments to provision/(benefit) for income taxes         131         \$ 0           Total adjustments to provision/(benefit) for income taxes         131         \$ 0           Adjusted provision/(benefit) for income taxes         \$ 1,073         \$ 1,434           GAAP net income         \$ 1,073         \$ 1,434		\$		\$	,		
GAAP other income/(expense)         \$ (160)         \$ (99)           Adjustments to other income/(expense):         3 (160)         \$ (99)           Non-cash interest expense associated with our convertible notes         - 12         4 (160)         \$ (87)           GAAP income before income taxes         \$ 1,204         \$ 1,343           Adjustments to income before income taxes:         496         130           Non-cash interest expense associated with our convertible notes         - 12         12           Total adjustments to income before income taxes         496         142           Adjusted income before income taxes         \$ 1,700         \$ 1,485           GAAP provision/(benefit) for income taxes         \$ 131         \$ (91)           Adjustments to provision/(benefit) for income taxes:         131         40           Other income tax adjustments (e)         131         40           Other income tax adjustments (f) for income taxes         \$ 262         \$ (13)           Adjusted provision/(benefit) for income taxes         \$ 1,073         \$ 1,434           Adjustments to net income:         \$ 1,073         \$ 1,434           Adjustments to net income before income taxes, net of the income tax effect of the above adjustments         365         102           Chter income tax adjustments (f)         - 2		\$		\$			
Adjustments to other income/(expense):         12           Non-cash interest expense associated with our convertible notes         -         12           Adjusted other income/(expense)         \$ (160)         \$ (87)           GAAP income before income taxes           Adjustments to income before income taxes:           Adjustments to operating expenses         496         130           Non-cash interest expense associated with our convertible notes         -         12           Total adjustments to income before income taxes         496         142           Adjusted income before income taxes         496         142           Adjustments to provision/(benefit) for income taxes         131         (91)           Adjustments to provision/(benefit) for income taxes         131         40           Other income tax adjustments (f)         -         38           Total adjustments to provision/(benefit) for income taxes         131         78           Adjustments to net income         \$ 1,073         \$ 1,434           GAAP net income           Adjustments to net income before income taxes, net of the income tax effect of the above adjustments         365         102           Cher income tax adjustments (f)         -         38         102	,		,,,,,,,				
Non-cash interest expense associated with our convertible notes         -         12           Adjusted other income/(expense)         \$ (160)         \$ (87)           GAAP income before income taxes         \$ 1,204         \$ 1,343           Adjustments to income before income taxes:         \$ 26         130           Adjustments to operating expenses         496         130           Non-cash interest expense associated with our convertible notes         -         12           Total adjustments to income before income taxes         496         130           Total adjustments to income before income taxes         496         142           Adjusted income before income taxes         496         142           GAAP provision/(benefit) for income taxes         1,700         1,485           Income tax effect of the above adjustments (e)         131         40           Other income tax adjustments (f)         -         38           Total adjustments to provision/(benefit) for income taxes         131         78           Adjustments to net income         \$ 1,073         \$ 1,434           GAAP net income         \$ 1,073         \$ 1,434           GAAP net income before income taxes, net of the income tax effect of the above adjustments         365         102           Other income tax adjustments (f) <td></td> <td>\$</td> <td>(160)</td> <td>\$</td> <td>(99)</td>		\$	(160)	\$	(99)		
Adjusted other income/(expense)         \$ (160)         \$ (87)           GAAP income before income taxes         \$ 1,204         \$ 1,343           Adjustments to income before income taxes:         # 496         130           Non-cash interest expense associated with our convertible notes         - 12         12           Total adjustments to income before income taxes         496         142           Adjusted income before income taxes         \$ 1,700         \$ 1,485           GAAP provision/(benefit) for income taxes         \$ 131         \$ (91)           Adjustments to provision/(benefit) for income taxes:         \$ 131         40           Other income tax effect of the above adjustments (e)         1 31         40           Other income tax adjustments (f)         - 38         78           Adjustments to provision/(benefit) for income taxes         1 31         78           Adjusted provision/(benefit) for income taxes         \$ 1,073         \$ 1,434           GAAP net income         \$ 1,073         \$ 1,434           Adjustments to net income:         \$ 1,073         \$ 1,434           Adjustments to income before income taxes, net of the income tax effect of the above adjustments         365         102           Total adjustments to net income         - 38         - 38           Total adjust			_		12		
Adjustments to income before income taxes:         Adjustments to operating expenses       496       130         Non-cash interest expense associated with our convertible notes       -       12         Total adjustments to income before income taxes       496       142         Adjusted income before income taxes       \$1,700       \$1,485         GAAP provision/(benefit) for income taxes       \$131       \$(91)         Adjustments to provision/(benefit) for income taxes:       \$131       40         Other income tax effect of the above adjustments (e)       131       40         Other income tax adjustments (f)       -       38         Total adjustments to provision/(benefit) for income taxes       131       78         Adjusted provision/(benefit) for income taxes       \$262       (13)         GAAP net income       \$1,073       \$1,434         Adjustments to net income:       \$102       \$102         Adjustments to income before income taxes, net of the income tax effect of the above adjustments       365       102         Other income tax adjustments (f)       -       (38)         Total adjustments to net income       365       64		\$	(160)	\$			
Adjustments to income before income taxes:         Adjustments to operating expenses       496       130         Non-cash interest expense associated with our convertible notes       -       12         Total adjustments to income before income taxes       496       142         Adjusted income before income taxes       \$1,700       \$1,485         GAAP provision/(benefit) for income taxes       \$131       \$(91)         Adjustments to provision/(benefit) for income taxes:       \$131       40         Other income tax effect of the above adjustments (e)       131       40         Other income tax adjustments (f)       -       38         Total adjustments to provision/(benefit) for income taxes       131       78         Adjusted provision/(benefit) for income taxes       \$262       (13)         GAAP net income       \$1,073       \$1,434         Adjustments to net income:       \$102       \$102         Adjustments to income before income taxes, net of the income tax effect of the above adjustments       365       102         Other income tax adjustments (f)       -       (38)         Total adjustments to net income       365       64	GAAP income before income taxes	\$	1 204	\$	1 3/13		
Non-cash interest expense associated with our convertible notes         -         12           Total adjustments to income before income taxes         496         142           Adjusted income before income taxes         \$ 1,700         \$ 1,485           GAAP provision/(benefit) for income taxes         \$ 131         \$ (91)           Adjustments to provision/(benefit) for income taxes:         \$ 131         40           Other income tax effect of the above adjustments (f)         -         38           Total adjustments to provision/(benefit) for income taxes         131         78           Adjusted provision/(benefit) for income taxes         \$ 262         \$ (13)           GAAP net income         \$ 1,073         \$ 1,434           Adjustments to net income:         Adjustments to income before income taxes, net of the income tax effect of the above adjustments         365         102           Other income tax adjustments (f)         -         (38)           Total adjustments to net income         365         64		Ψ	1,204	Ψ	1,545		
Total adjustments to income before income taxes         496         142           Adjusted income before income taxes         \$ 1,700         \$ 1,485           GAAP provision/(benefit) for income taxes         \$ 131         \$ (91)           Adjustments to provision/(benefit) for income taxes:         \$ 131         40           Other income tax effect of the above adjustments (f)         5         38           Total adjustments to provision/(benefit) for income taxes         131         78           Adjusted provision/(benefit) for income taxes         \$ 262         \$ (13)           GAAP net income         \$ 1,073         \$ 1,434           Adjustments to net income:         Adjustments to income before income taxes, net of the income tax effect of the above adjustments         365         102           Other income tax adjustments (f)         -         (38)           Total adjustments to net income         365         64	, , , , , , , , , , , , , , , , , , , ,		496				
Adjusted income before income taxes         \$ 1,700         \$ 1,485           GAAP provision/(benefit) for income taxes         \$ 131         \$ (91)           Adjustments to provision/(benefit) for income taxes:         \$ 131         40           Income tax effect of the above adjustments (f)         \$ 2         38           Total adjustments to provision/(benefit) for income taxes         131         78           Adjusted provision/(benefit) for income taxes         \$ 262         \$ (13)           GAAP net income         \$ 1,073         \$ 1,434           Adjustments to net income:         Adjustments to income before income taxes, net of the income tax effect of the above adjustments         365         102           Other income tax adjustments (f)         -         (38)           Total adjustments to net income         365         64			496				
Adjustments to provision/(benefit) for income taxes:  Income tax effect of the above adjustments (e) 131 40 Other income tax adjustments (f) - 38 Total adjustments to provision/(benefit) for income taxes 131 78 Adjusted provision/(benefit) for income taxes \$ 132 \$ (13)   GAAP net income	·	\$		\$			
Adjustments to provision/(benefit) for income taxes:  Income tax effect of the above adjustments (e) 131 40 Other income tax adjustments (f) - 38 Total adjustments to provision/(benefit) for income taxes 131 78 Adjusted provision/(benefit) for income taxes \$131 \$78  GAAP net income \$262 \$133  GAAP net income  Adjustments to net income:  Adjustments to income before income taxes, net of the income tax effect of the above adjustments 365 102 Other income tax adjustments (f) - 385 Total adjustments to net income	CAAD provision//honefit) for income toyon	ď	101	r	(04)		
Note   Income tax effect of the above adjustments (e)   131   40     Other income tax adjustments (f)   - 38     Total adjustments to provision/(benefit) for income taxes   131   78     Adjusted provision/(benefit) for income taxes   \$262   \$(13)     CAAP net income   \$1,073   \$1,434     Adjustments to net income:		Ф	131	Ф	(91)		
Total adjustments to provision/(benefit) for income taxes         131         78           Adjusted provision/(benefit) for income taxes         \$ 262         \$ (13)           GAAP net income         \$ 1,073         \$ 1,434           Adjustments to net income:         \$ 365         102           Other income tax adjustments (f)         - (38)           Total adjustments to net income         365         64	·		131		40		
GAAP net income         \$ 1,073         \$ 1,434           Adjustments to net income:         Adjustments to income before income taxes, net of the income tax effect of the above adjustments         365         102           Other income tax adjustments (f)         -         (38)           Total adjustments to net income         365         64			- 101				
GAAP net income  Adjustments to net income:  Adjustments to income before income taxes, net of the income tax effect of the above adjustments  Other income tax adjustments (f)  Total adjustments to net income  365  102  385  64	· · · · · · · · · · · · · · · · · · ·	\$		\$			
Adjustments to net income:  Adjustments to income before income taxes, net of the income tax effect of the above adjustments  365  102  Other income tax adjustments (f)  Total adjustments to net income  365  64							
Adjustments to income before income taxes, net of the income tax effect of the above adjustments  Other income tax adjustments (f)  Total adjustments to net income  365  64		\$	1,073	\$	1,434		
Total adjustments to net income 365 64	Adjustments to income before income taxes, net of the income tax effect of the above adjustments		365				
	, .,		265	_			
		\$		\$			

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

The following table presents the computations for GAAP and Adjusted diluted EPS:

	Three months ended March 31, 2014			Three months endo					
	(	GAAP Adjus		AAP Adjusted (		GAAP A		Adjusted	
Net income	\$	1,073	\$	1,438	\$	1,434	\$	1,498	
Weighted-average shares for diluted EPS		768		768		764		764	
Diluted EPS	\$	1.40	\$	1.87	\$	1.88	\$	1.96	

- (a) The adjustments related primarily to non-cash amortization of intangible assets, including developed product technology rights, acquired in business combinations. The 2014 adjustments also include a \$99 million charge related to the closing of an agreement associated with our acquiring the licenses to filgrastim and pegfilgrastim effective January 1, 2014.
- (b) The adjustments related primarily to non-cash amortization of intangible assets acquired in business combinations.
- (c) The adjustments related primarily to severance expenses.
- (d) The 2013 adjustments related primarily to various legal proceedings.
- (e) The tax effect of the adjustments between our GAAP and Adjusted results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact at the U.S. marginal tax rate for certain adjustments, including the majority of amortization of intangible assets, whereas the tax impact of other adjustments, including stock option expense, depends on whether the amounts are deductible in the tax jurisdictions where the expenses are incurred or the asset is located and the applicable tax rate(s) in those jurisdictions. Due to these factors, the effective tax rates for the adjustments to our GAAP income before income taxes, for the three months ended March 31, 2014 and 2013, were 26.4% and 28.2%, respectively.
- (f) The adjustments in 2013 related to resolving certain non-routine transfer-pricing and acquisition-related issues with tax authorities.

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

## Three months ended

	March 31,					
		2014		2013		
Operating Cash Flow	\$	1,142	\$	1,049		
Capital Expenditures		(172)		(158)		
Free Cash Flow	\$	970	\$	891		

Reconciliation of GAAP EPS Guidance to Adjusted EPS Guidance for the Year Ending December 31, 2014 (Unaudited)

	2014				
GAAP diluted EPS guidance	\$	6.65	-	\$	6.95
Known adjustments to arrive at Adjusted earnings*:					
Acquisition-related expenses(a)			1.24		
Other(b)			0.01		
Adjusted diluted EPS guidance	\$	7.90		\$	8.20

- \* The known adjustments are presented net of their related tax impact which amount to approximately \$0.63 per share in the aggregate.
- (a) The adjustments relate primarily to non-cash amortization of intangible assets acquired in prior year business combinations.
- (b) The adjustments include stock option expense, cost savings initiatives and various legal proceedings.

Reconciliation of GAAP Tax Rate Guidance to Adjusted Tax Rate Guidance for the Year Ending December 31, 2014 (Unaudited)

	2014			
GAAP tax rate guidance	11%	-	12%	
Tax rate effect of known adjustments discussed above		4%		
Adjusted tax rate guidance	15%	-	16%	