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Pioneering science delivers vital medicines™

Q2 ’14 Earnings Call

July 29, 2014

Safe Harbor Statement

This presentation contains forward-looking statements that are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements about estimates of revenues, operating margins, capital expenditures, cash, other financial metrics, expected legal, arbitration, political, regulatory or clinical results or practices, customer and prescriber patterns or practices, reimbursement activities and outcomes and other such estimates and results. Forward-looking statements involve significant risks and uncertainties, including those discussed below and more fully described in the Securities and Exchange Commission (SEC) reports filed by Amgen, including Amgen's most recent annual report on Form 10-K and any subsequent periodic reports on Form 10-Q and Form 8-K. Please refer to Amgen's most recent Forms 10-K, 10-Q and 8-K for additional information on the uncertainties and risk factors related to our business. Unless otherwise noted, Amgen is providing this information as of July 29, 2014 and expressly disclaims any duty to update information contained in this presentation.

No forward-looking statement can be guaranteed and actual results may differ materially from those we project. The Company's 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. 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. 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, 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.

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

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Agenda

Introduction	Arvind Sood
Opening Remarks	Bob Bradway
Q2 ’14 Business Results	David Meline
Global Commercial Review	Tony Hooper
R&D Review	Sean Harper
Q&A	All

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Q2 ’14 Business Results

David Meline
Chief Financial Officer

Q2 ’14 Adjusted Income Statement

$ Millions, Except Adjusted EPS

Item	Q2 ’14	Q2 ’13	B/(W) %
Revenue	$5,180	$4,679	11%
Product Sales	$4,949	$4,595	8%
Other Revenues	$231	$84	
Operating Expenses	$2,861	$2,895	1%
Cost of Sales *% of product sales*	$789 *15.9%*	$714 *15.5%*	
R&D *% of product sales*	$979 *19.8%*	$944 *20.5%*	
SG&A *% of product sales*	$1,093 *22.1%*	$1,237 *26.9%*	
Operating Income	$2,319	$1,784	30%
Other Income/(Expense)	($144)	($145)	
Pre-tax Income	$2,175	$1,639	33%
Tax Provision	$352	$195	
Net Income	$1,823	$1,444	26%
Adjusted EPS	$2.37	$1.89	25%
Average Shares	768	763	(1%)
Tax Rate	16.2%	11.9%	(4.3) pts

All income statement items for Q2 ’14 and/or Q2 ’13, except revenue, are adjusted non-GAAP financial measures—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section

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Q2 ’14 Balance Sheet and Cash Flow Data

$ Billions

Cash Flow Data	Q2 ’14	Q2 ’13
Capital Expenditures	$0.2	$0.2
Free Cash Flow*	2.1	1.4
Dividends Paid	0.5	0.4
Balance Sheet Data	**Q2 ’14**	**Q2 ’13**
Cash and Investments	$26.2	$22.0
Debt Outstanding	33.3	23.9

*Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section
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2014 Guidance

	Updated Guidance	Previous Guidance
Revenue	$19.5B–$19.7B	$19.2B–$19.6B
Adjusted EPS*	$8.20–$8.40	$7.90–$8.20
Adjusted Tax Rate*	Reaffirmed	15.0%–16.0%
Capital Expenditures	Reaffirmed	~ $800M

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

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Key Elements of Restructuring Plan (2014–2015)

Headcount Reduction (2014–2015)	**2,400–2,900**
Pre-Tax GAAP Charge (2014–2015)	**$775M–$950M***
Pre-Tax Savings	**$700M in 2016 vs 2013, with most reinvested to support global product launches**
Capital Expenditures (Run-Rate Starting in 2015)	**~ $800M**
Facilities Impact	**~ 23% reduction in facilities footprint:** • **Close Washington and Colorado by end of 2015;** • **Expanded presence in San Francisco, CA and Cambridge, MA;** • **Reduced staff and facilities footprint in Thousand Oaks, CA**

***~ 40% of these total expenses will be on a cash basis**

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Global Commercial Review

Tony Hooper

Executive Vice President, Global Commercial Operations

Q2 ’14 Global Commercial Review

$ Millions, Net Sales

	Q2 ’14			Q2 ’13	YoY △
	US	ROW	TOTAL	TOTAL	TOTAL
Neulasta®/NEUPOGEN®	$1,109	$320	$1,429	$1,444	(1%)
Neulasta®	895	238	1,133	1,120	1%
NEUPOGEN®	214	82	296	324	(9%)
Enbrel®	1,171	72	1,243	1,157	7%
Aranesp®	223	294	517	524	(1%)
EPOGEN®	512	0	512	502	2%
Sensipar®/Mimpara®	204	94	298	259	15%
Vectibix®	36	96	132	93	42%
Nplate®	62	56	118	105	12%
XGEVA®	207	92	299	249	20%
Prolia®	159	105	264	188	40%
Kyprolis®	75	3	78	0	NM
Other[1]	0	59	59	74	(20%)
Total Product Sales	$3,758	$1,191	$4,949	$4,595	8%

NM = not meaningful

1. Other includes Bergamo and MN Pharma

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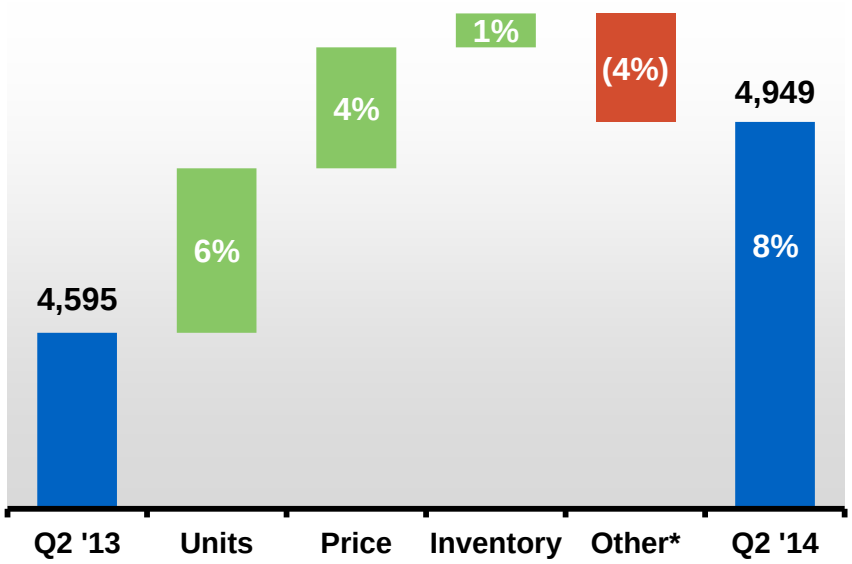
Q2 ’14 Product Sales Grew 8% YoY

$ Millions, Net Sales



Key Drivers

- YoY sales growth driven by solid unit demand and, to a lesser extent, price
  - In Q2 2013, we realized the benefit from a Medicaid rebate estimate adjustment of ~ $185M, which negatively impacts the Q2 2014 YoY comparison
- Strong performance in international markets with 15% YoY growth
  - Acquisition of filgrastim rights contributed to this growth

*Other includes changes in estimated sales deductions and returns, foreign currency exchange impacts, and other sales adjustments

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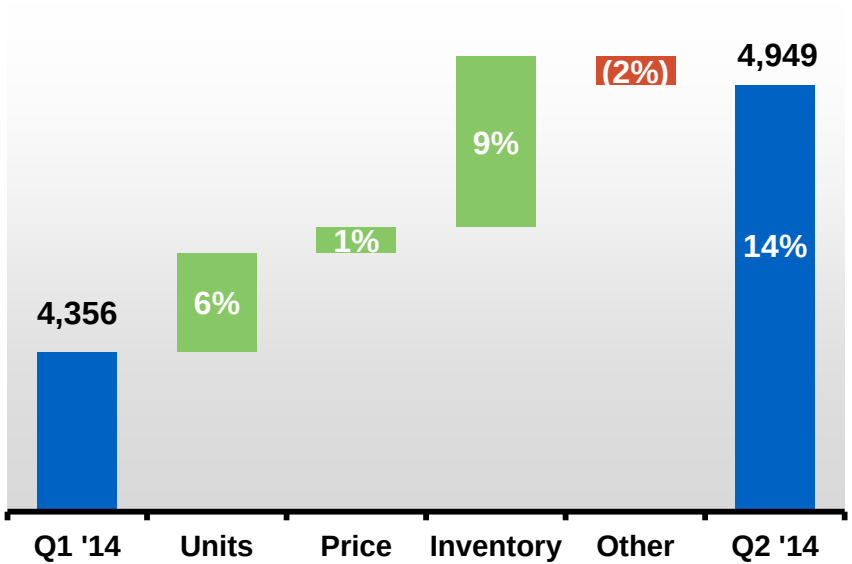
Q2 ’14 Product Sales Grew 14% QoQ

$ Millions, Net Sales



Key Drivers

- **Sequential sales growth driven by inventory (both end customer and wholesaler) and solid unit demand**
- **Wholesaler inventory days on hand ended Q2 within normal range**

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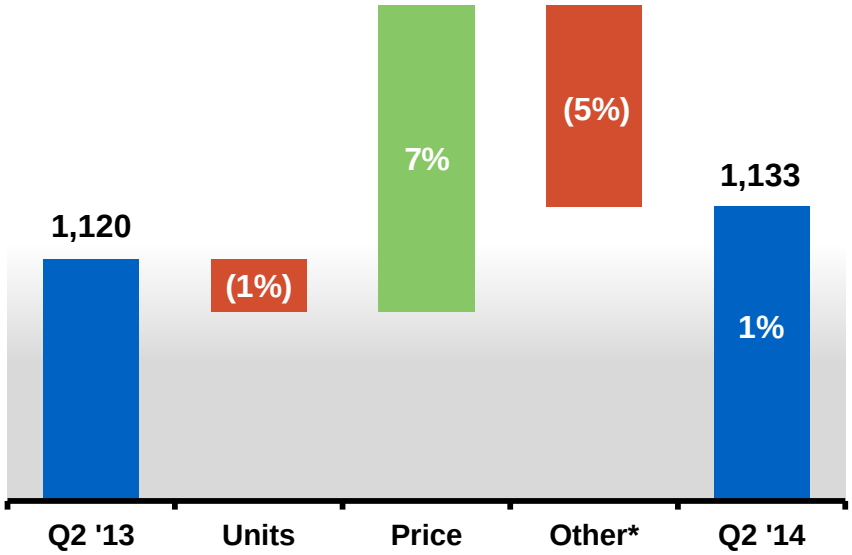
Q2 ’14 Neulasta® Sales Grew 1% YoY

$ Millions, Net Sales



*Primarily relates to the Q2 2013 positive Medicaid rebate estimate adjustment

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Key Drivers

- Sales growth of 1% driven by price, partially offset by last year’s Medicaid rebate estimate adjustment
- Our international business benefited from the acquisition of commercial rights in new and emerging markets

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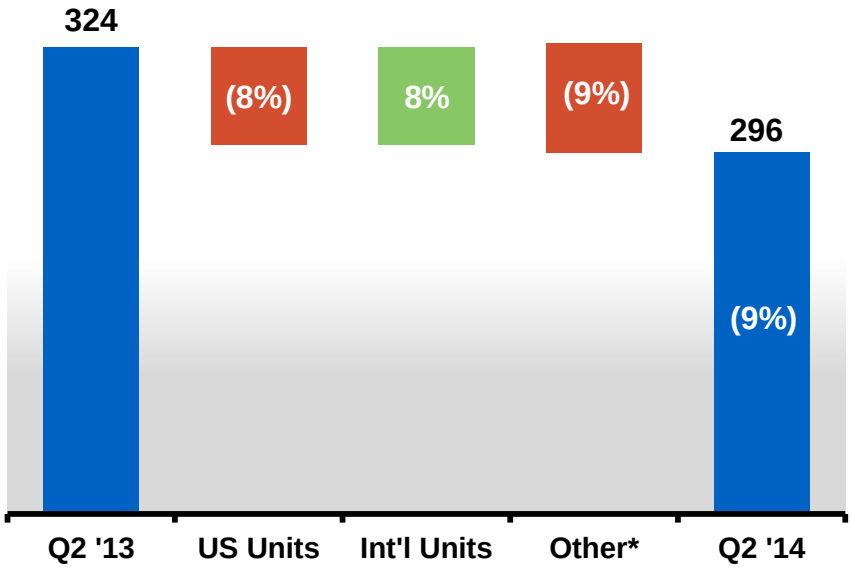
Q2 ’14 NEUPOGEN® Sales Declined 9% YoY

$ Millions, Net Sales



*Primarily relates to the Q2 2013 positive Medicaid rebate estimate adjustment

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Key Drivers

- Sales declined 9% driven by last year’s Medicaid rebate estimate adjustment
- We have seen a slight impact from competition in US and Europe
- Our international business benefited from the acquisition of commercial rights in new and emerging markets

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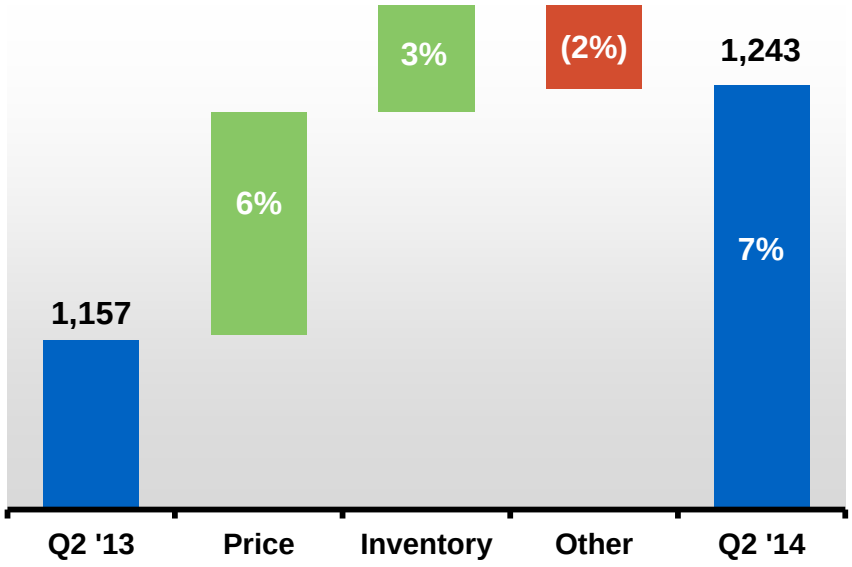
Q2 ’14 Enbrel® Sales Grew 7% YoY

$ Millions, Net Sales



Key Drivers

- **Sales growth of 7% primarily driven by price**
  - **Strong dollar growth in both rheumatology and dermatology segments continues at 19% and 21%, respectively**

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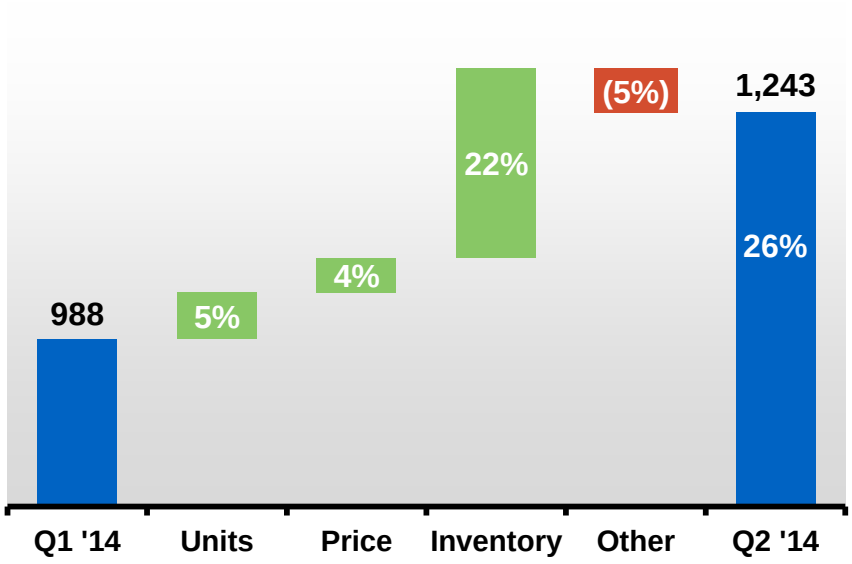
Q2 ’14 Enbrel® Sales Grew 26% QoQ

$ Millions, Net Sales



Key Drivers

- **Sales growth of 26% primarily driven by inventory**
  - **Most of the inventory dynamic we saw last quarter has worked its way through the channel**
  - **At end of Q2, we saw a slight inventory build of ~ $60M in the channel that we expect will be drawn down in Q3**
  - **Sequential value share remained stable in both rheumatology and dermatology segments**

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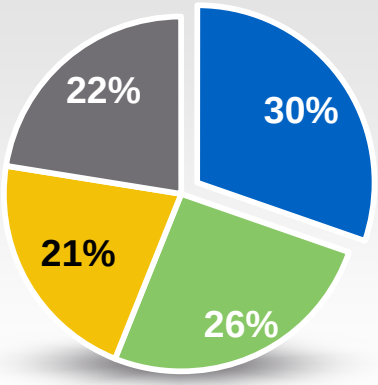
Enbrel® Has Benefited From Strong Segment Growth While Maintaining Share

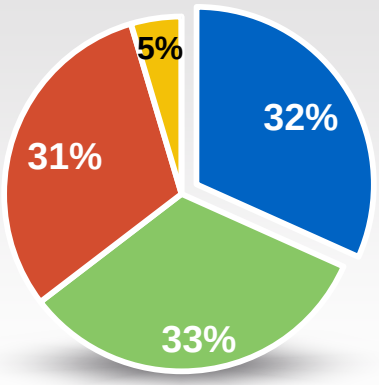
Rheumatology ($15.9B)
Q2 2014 Segment Growth = 19%

US Value Share (Q2 2014)



Dermatology ($4.1B)
Q2 2014 Segment Growth = 21%

US Value Share (Q2 2014)



ENBREL REMICADE® HUMIRA® STELARA® Other

Source: IMS

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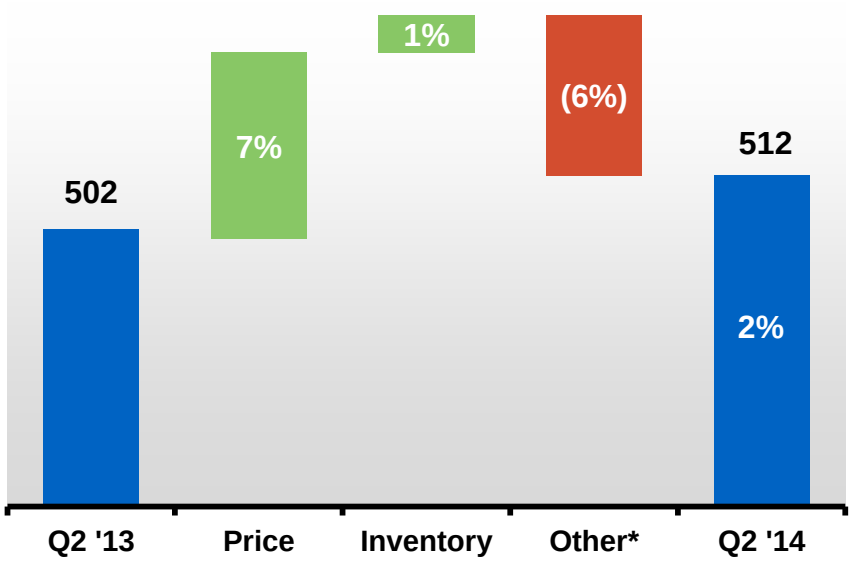
Q2 ’14 EPOGEN® Sales Grew 2% YoY

$ Millions, Net Sales



Key Drivers

- **Sales grew 2% primarily driven by price**
  - **Partially offset by last year’s Medicaid rebate estimate adjustment**
- **Unit demand has been relatively stable, and we continue to monitor average hemoglobin levels and dose utilization**

***Primarily relates to the Q2 2013 positive Medicaid rebate estimate adjustment**

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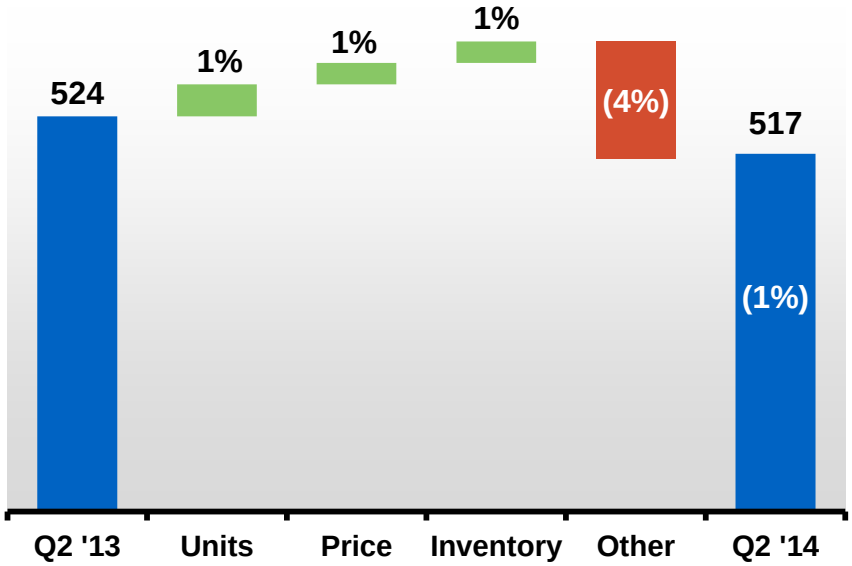
Q2 ’14 Aranesp® Sales Declined 1% YoY

$ Millions, Net Sales



Key Drivers

- **Sales declined 1% primarily driven by last year’s Medicaid rebate estimate adjustment**

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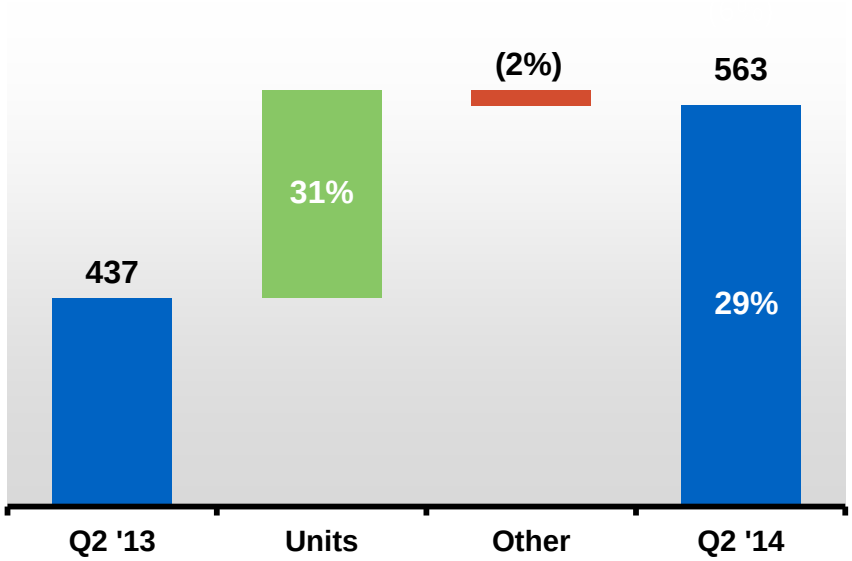
Q2 ’14 Prolia® and XGEVA® Combined Sales Grew 29% YoY

$ Millions, Net Sales



Key Drivers

- **Sales grew 29% primarily driven by strong unit demand**

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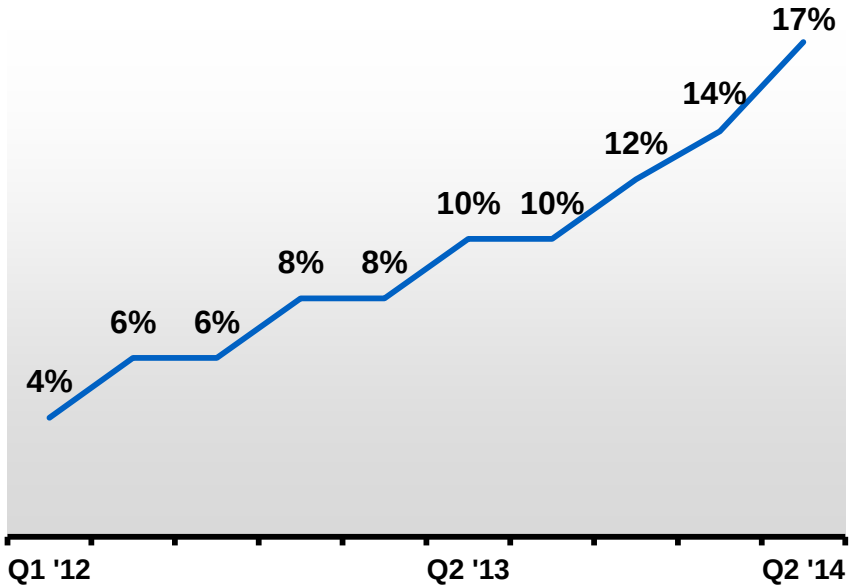
Prolia® Share In the US Has Grown From 4% to 17% Since the Beginning of 2012

US Prolia® DOT Share



DOT = days of therapy
Source: IMS Weekly DDD Integrated DOT

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Key Drivers

- Worldwide sales growth of 40% YoY driven by strong unit demand
- In the US:
  - Gained ~ 3 DOT share points QoQ
  - Repeat injection rates are > 60% for 2nd injections and > 70% for 3rd, leading to ~ 50% more repeat patients than a year ago
  - New patient growth > 30% YoY
  - DTC programs continue to drive increases in awareness and patient requests

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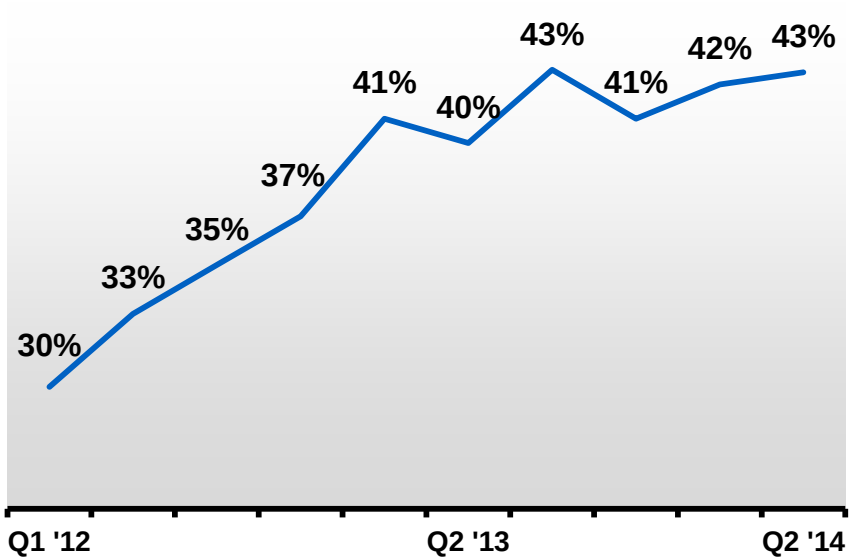
XGEVA® Share In the US Has Grown From 30% to 43% Since the Beginning of 2012

US XGEVA® Unit Share



Key Drivers

- Worldwide sales growth of 20% YoY driven by strong unit demand
- Continues to capture share in a growing market
- Focus on emphasizing the superior clinical profile* of XGEVA®

*SRE prevention
Source: IMS DDD Customer View
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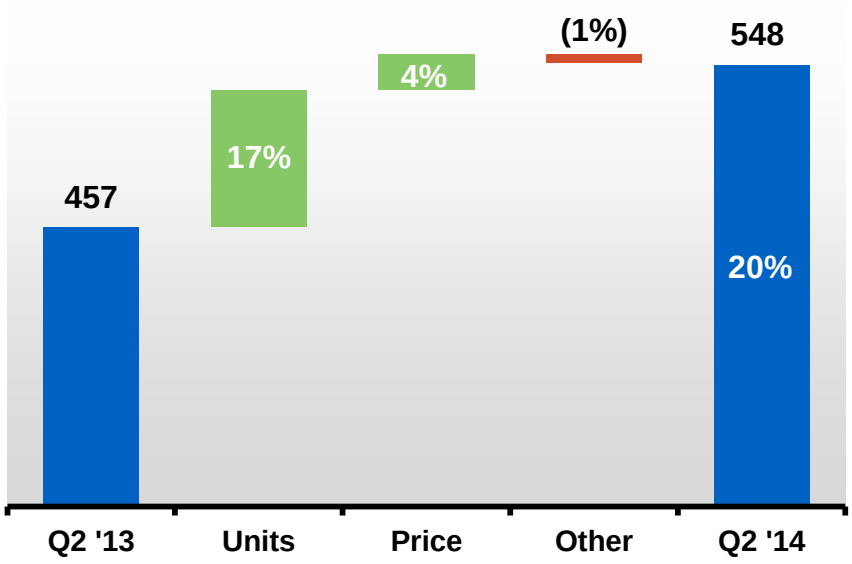
Q2 ’14 Sensipar®, Vectibix®, and Nplate® Combined Sales Grew 20% YoY

$ Millions, Net Sales



Key Drivers

- Combined sales grew 20% primarily driven by strong unit demand
- Sensipar® is now annualizing at a run-rate of $1.2B
- Nplate® and Vectibix® growth mainly due to strong unit demand across all regions

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R&D Review

Sean Harper

Executive Vice President, Research and Development

Projected 2014 Milestones for Innovative Pivotal Programs

Clinical Program	Lead Indication	Milestone	Timing
Evolocumab	Dyslipidemia	US, EU submission	Q3 2014
Ivabradine	Chronic heart failure	US submission	✓
Kyprolis® (carfilzomib)	Multiple myeloma	Phase 3 ASPIRE interim analysis* Phase 3 FOCUS data*	Q3 2014
Talimogene laherparepvec	Metastatic melanoma	US submission	✓
		EU submission	Q3 2014
Blinatumomab	Relapsed/refractory ALL	US submission	H2 2014
Trebananib	Recurrent ovarian cancer	Phase 3 data*†	Q4 2014
Brodalumab**	Psoriasis	Phase 3 data‡	✓, Q4 2014
AMG 416	Secondary hyperparathyroidism	Phase 3 data‡	✓, Q3 2014

ALL = acute lymphoblastic leukemia; ✓ Milestone achieved; *Event driven; †Overall survival (secondary endpoint)
**Developed in collaboration with AstraZeneca; ‡Positive data received from first pivotal study
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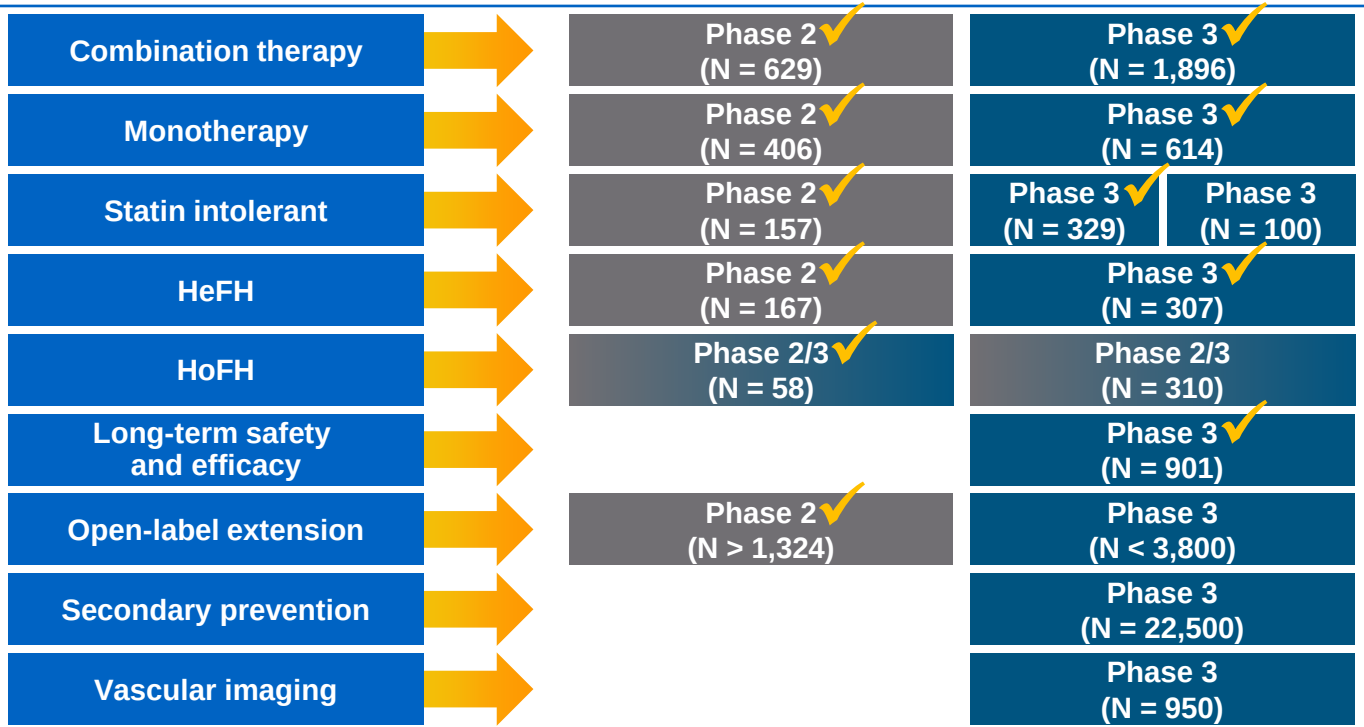
Our Evolocumab Global Phase 3 Program Evaluates LDL-C, Effect on Atherosclerosis, and CV Outcomes



LDL-C = low-density lipoprotein cholesterol; CV = cardiovascular
HeFH = heterozygous familial hypercholesterolemia; HoFH = homozygous familial hypercholesterolemia; ✓ = completed

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Evolocumab Phase 3 LDL-C Study Results

- **PCSK9 inhibition with evolocumab consistently reduced LDL-C > 50% vs placebo**
  - **In different populations**
  - **In combination with existing therapies**
  - **Over 12–52 weeks of therapy**
- **Evolocumab LDL-C lowering was superior to ezetimibe**
- **140 mg Q2W and 420 mg QM dosing resulted in clinically equivalent efficacy with similar adverse event profile**
- **Adverse events were similar between arms, irrespective of dose**

Q2W = every other week; QM = monthly

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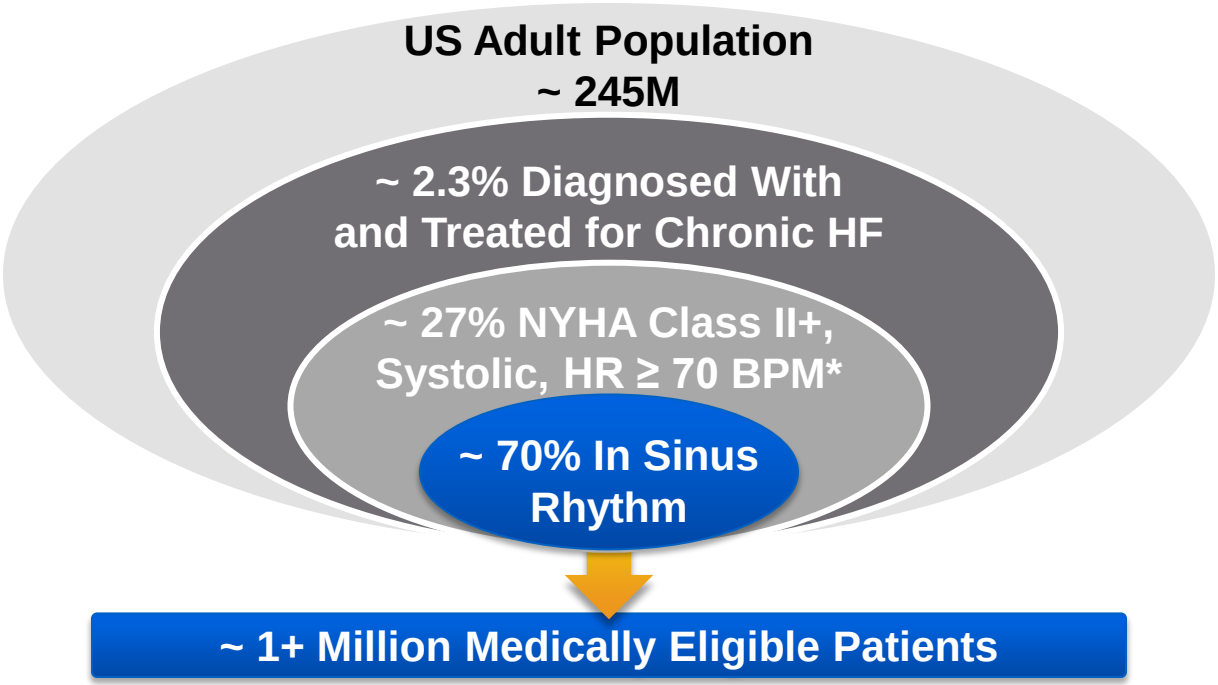
Ivabradine Has the Potential to Address Unmet Need In Chronic Heart Failure Patients



HF = heart failure; NYHA = New York Heart Association; HR = heart rate; BPM = beats per minute
*Ivabradine approved for HR ≥ 75 BPM in EU
Source: Humedica, CardioVascular Research Group
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Talimogene Laherparepvec Results From Phase 3 Melanoma Study

- Talimogene laherparepvec significantly improved the durable response rate (DRR) vs GM-CSF: 16.3% vs 2.1% (primary endpoint)
- Among the 26% of patients who achieved an overall response in the talimogene laherparepvec arm, 40% achieved a complete response
- Responses were seen in both injected and uninjected lesions, including visceral lesions
- Overall survival (OS) was improved 4.4 months, which closely approached statistical significance in the total patient population tested
  - Hazard Ratio of 0.79 (95% CI: 0.62–1.00), *P* = 0.051
  - Median OS was 23.3 for talimogene laherparepvec vs 18.9 for GM-CSF
- In exploratory subset analyses, both DRR and OS effects appear to be more pronounced among patients with no prior non-adjuvant systemic therapy and among patients with Stage IIIB–IVM1a disease
- The most frequent adverse events observed were fatigue, chills, and pyrexia. The most common serious adverse events include disease progression, cellulitis, and pyrexia

GM-CSF = granulocyte macrophage colony-stimulating factor; CI = confidence interval

Confirmatory Phase 2 Study of Blinatumomab In Adult Patients With Relapsed/Refractory B-Precursor ALL

Hematologic and Molecular Remission Rates Within Two Cycles of Treatment

CR/CRh* during first two cycles (primary endpoint)	43%
Complete response (CR)	33%
CRh*	10%
Blast-free hypoplastic or aplastic bone marrow	9%
Failure to respond to therapy	39%
No response data available†	9%
Hematopoietic stem cell transplant after CR/CRh*	40%
100-day transplant-related mortality rate	11%
MRD response during first two cycles CR/CRh*‡	82%

- Most frequent grade ≥ 3 adverse events were febrile neutropenia (25%), neutropenia (16%), and anemia (14%)
- Most common grade ≥ 3 nervous system disorders were encephalopathy (3%), confusional state (2%), and ataxia (2%)
- Three (2%) patients had grade 5 adverse events considered possibly treatment related (sepsis, n = 2; candida infection, n = 1)

CRh* = CR with only partial hematologic recovery: ≤ 5% blasts in the bone marrow, no evidence of circulating blasts or extramedullary disease, partial recovery of peripheral blood counts (at least platelets > 50.000/μL, Hb ≥ 7 g/dL, and ANC > 500/μL); †Death before first response assessment (n = 8) or adverse events leading to treatment discontinuation before first response assessment (n = 10); ‡MRD = minimal residual disease < 10^{-4} by PCR

Topp M, et al. ASCO Annual Meeting, 2014.

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Brodalumab Top-Line Results From Phase 3 Psoriasis Study

Patients Achieving Responses at Week 12

	PASI 75	PASI 90	PASI 100
210 mg Brodalumab	83.3%	70.3%	41.9%
140 mg Brodalumab	60.3%	42.5%	23.3%
Placebo	2.7%	0.9%	0.5%

- The most common adverse events that occurred during the placebo-controlled period in the brodalumab group (> 5% of participants) were nasopharyngitis, upper respiratory tract infection, and headache
- Serious adverse events occurred in 1.8% of patients in the 210 mg group and 2.7% of patients in the 140 mg group compared to 1.4% for placebo during the placebo-controlled period

Primary endpoints were patients achieving at least a 75% improvement from baseline in disease severity at week 12, as measured by the Psoriasis Area Severity Index (PASI 75), and patients achieving clear or almost clear skin at week 12 according to the static Physician Global Assessment (sPGA 0 or 1)

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Brodalumab Development Update

- **Moderate-to-severe psoriasis***
  - **Successfully met all primary and secondary endpoints in placebo-controlled Phase 3 study**
  - **Results from two head-to-head studies vs STELARA® expected in Q4**
- **Psoriatic arthritis**
  - **Phase 2 data published in the New England Journal of Medicine**
  - **Two placebo-controlled Phase 3 studies currently enrolling**
- **Asthma**
  - **Phase 2 study currently enrolling inadequately controlled subjects with high bronchodilator reversibility**

***Primary endpoints were patients achieving at least a 75% improvement from baseline in disease severity at week 12, as measured by the Psoriasis Area Severity Index (PASI 75), and patients achieving clear or almost clear skin at week 12 according to the static Physician Global Assessment (sPGA 0 or 1)**

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Reconciliations

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

	Three months ended June 30,		Six months ended June 30,	
	2014	**2013**	**2014**	**2013**
Revenues:				
Product sales	$ 4,949	$ 4,595	$ 9,305	$ 8,746
Other revenues	231	84	396	171
Total revenues	5,180	4,679	9,701	8,917
Operating expenses:				
Cost of sales	1,081	785	2,171	1,529
Research and development	1,018	967	2,045	1,845
Selling, general and administrative	1,136	1,256	2,159	2,414
Other	43	121	60	137
Total operating expenses	3,278	3,129	6,435	5,925
Operating income	1,902	1,550	3,266	2,992
Interest expense, net	282	241	541	504
Interest and other income, net	138	96	237	260
Income before income taxes	1,758	1,405	2,962	2,748
Provision for income taxes	211	147	342	56
Net income	$ 1,547	$ 1,258	$ 2,620	$ 2,692
Earnings per share:				
Basic	$ 2.04	$ 1.67	$ 3.46	$ 3.58
Diluted	$ 2.01	$ 1.65	$ 3.41	$ 3.52
Average shares used in calculation of earnings per share:				
Basic	759	752	758	752
Diluted	768	764	768	764

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

	June 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	$ 26,188	$ 19,401
Trade receivables, net	2,697	2,697
Inventories	2,954	3,019
Other current assets	2,489	2,250
Total current assets	34,328	27,367
Property, plant and equipment, net	5,371	5,349
Intangible assets, net	13,499	13,262
Goodwill	14,844	14,968
Restricted investments	-	3,412
Other assets	1,492	1,767
Total assets	$ 69,534	$ 66,125
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 5,366	$ 5,442
Current portion of long-term debt	2,500	2,505
Total current liabilities	7,866	7,947
Long-term debt	30,828	29,623
Other non-current liabilities	6,458	6,459
Stockholders' equity	24,382	22,096
Total liabilities and stockholders' equity	$ 69,534	$ 66,125
Shares outstanding	759	755

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
GAAP cost of sales	$ 1,081	$ 785	$ 2,171	$ 1,529
Adjustments to cost of sales:				
Acquisition-related expenses **(a)**	(290)	(70)	(694)	(141)
Stock option expense	(2)	(1)	(4)	(3)
Total adjustments to cost of sales	(292)	(71)	(698)	(144)
Adjusted cost of sales	$ 789	$ 714	$ 1,473	$ 1,385
GAAP research and development expenses	$ 1,018	$ 967	$ 2,045	$ 1,845
Adjustments to research and development expenses:				
Acquisition-related expenses **(b)**	(38)	(20)	(69)	(42)
Stock option expense	(1)	(3)	(3)	(8)
Total adjustments to research and development expenses	(39)	(23)	(72)	(50)
Adjusted research and development expenses	$ 979	$ 944	$ 1,973	$ 1,795
GAAP selling, general and administrative expenses	$ 1,136	$ 1,256	$ 2,159	$ 2,414
Adjustments to selling, general and administrative expenses:				
Acquisition-related expenses **(b)**	(42)	(16)	(80)	(26)
Stock option expense	(1)	(3)	(3)	(7)
Total adjustments to selling, general and administrative expenses	(43)	(19)	(83)	(33)
Adjusted selling, general and administrative expenses	$ 1,093	$ 1,237	$ 2,076	$ 2,381
GAAP operating expenses	$ 3,278	$ 3,129	$ 6,435	$ 5,925
Adjustments to operating expenses:				
Adjustments to cost of sales	(292)	(71)	(698)	(144)
Adjustments to research and development expenses	(39)	(23)	(72)	(50)
Adjustments to selling, general and administrative expenses	(43)	(19)	(83)	(33)
Certain charges pursuant to our efforts to improve cost efficiencies in our operations **(c)**	(23)	(11)	(38)	(11)
Expense resulting from changes in the estimated fair values of the contingent consideration obligations related to prior year business combinations	(14)	(110)	(15)	(111)
Other **(d)**	(6)	-	(7)	(15)
Total adjustments to operating expenses	(417)	(234)	(913)	(364)
Adjusted operating expenses	$ 2,861	$ 2,895	$ 5,522	$ 5,561
GAAP operating income	$ 1,902	$ 1,550	$ 3,266	$ 2,992
Adjustments to operating expenses	417	234	913	364
Adjusted operating income	$ 2,319	$ 1,784	$ 4,179	$ 3,356
GAAP other income/(expense)	$ (144)	$ (145)	$ (304)	$ (244)
Adjustments to other income/(expense):				
Non-cash interest expense associated with our convertible notes	-	-	-	12
Adjusted other income/(expense)	$ (144)	$ (145)	$ (304)	$ (232)
GAAP income before income taxes	$ 1,758	$ 1,405	$ 2,962	$ 2,748
Adjustments to income before income taxes:				
Adjustments to operating expenses	417	234	913	364
Non-cash interest expense associated with our convertible notes	-	-	-	12
Total adjustments to income before income taxes	417	234	913	376
Adjusted income before income taxes	$ 2,175	$ 1,639	$ 3,875	$ 3,124
GAAP provision for income taxes	$ 211	$ 147	$ 342	$ 56
Adjustments to provision for income taxes:				
Income tax effect of the above adjustments **(e)**	148	48	279	88
Other income tax adjustments **(f)**	(7)	-	(7)	38
Total adjustments to provision for income taxes	141	48	272	126
Adjusted provision for income taxes	$ 352	$ 195	$ 614	$ 182
GAAP net income	$ 1,547	$ 1,258	$ 2,620	$ 2,692
Adjustments to net income:				
Adjustments to income before income taxes, net of the income tax effect of the above adjustments	269	186	634	288
Other income tax adjustments **(f)**	7	-	7	(38)
Total adjustments to net income	276	186	641	250
Adjusted net income	$ 1,823	$ 1,444	$ 3,261	$ 2,942

Provided July 29, 2014 as part of an oral presentation and is qualified by such, contains forward-looking statements, actual results may vary materially; Amgen disclaims any duty to update.

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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. Dilutive securities used to compute Adjusted diluted EPS were computed assuming that we do not expense stock options.

	Three months ended June 30, 2014		Three months ended June 30, 2013	
	GAAP	Adjusted	GAAP	Adjusted
Net income	$ 1,547	$ 1,823	$ 1,258	$ 1,444
Weighted-average shares for diluted EPS	768	768	764	763
Diluted EPS	$ 2.01	$ 2.37	$ 1.65	$ 1.89

	Six months ended June 30, 2014		Six months ended June 30, 2013	
	GAAP	Adjusted	GAAP	Adjusted
Net income	$ 2,620	$ 3,261	$ 2,692	$ 2,942
Weighted-average shares for diluted EPS	768	768	764	764
Diluted EPS	$ 3.41	$ 4.25	$ 3.52	$ 3.85

(a) The adjustments related primarily to non-cash amortization of intangible assets, including developed product technology rights, acquired in business combinations. For the six months ended June 30, 2014, the adjustments also included a $99-million charge related to the termination of a supply contract with F. Hoffmann-La Roche Ltd. as a result of acquiring the licenses to filgrastim and pegfilgrastim effective January 1, 2014.

(b) The adjustments related primarily to non-cash amortization of intangible assets acquired in business combinations and also included other acquisition-related expenses.

(c) The adjustments related primarily to severance expenses.

(d) The 2014 adjustments related primarily to various acquisition-related expenses. The 2013 adjustments related 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 and six months ended June 30, 2014 and 2013, were 35.5% and 30.6%, respectively, compared with 20.5% and 23.4% for the corresponding periods of the prior year.

(f) The adjustments in 2014 related to certain prior period items excluded from adjusted earnings. The adjustments in 2013 related to resolving certain non-routine transfer-pricing and acquisition-related matters with tax authorities.

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

	Three months ended June 30,	
	2014	**2013**
Operating Cash Flow	$ 2,227	$ 1,600
Capital Expenditures	(173)	(159)
Free Cash Flow	$ 2,054	$ 1,441

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

		2014
GAAP diluted EPS guidance		$ 6.38 - $ 6.67
Known adjustments to arrive at Adjusted earnings*:		
Acquisition-related expenses	(a)	1.32
Other	(b)	0.04
Tax adjustments	(c)	0.01
Restructuring charges	(d)	0.36 - 0.45
Adjusted diluted EPS guidance		$ 8.20 - $ 8.40

* The known adjustments are presented net of their related tax impact which amount to approximately $0.84 per share in the aggregate.

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

(b) The adjustments relate primarily to cost savings initiatives and also include stock option expense and various legal proceedings.

(c) The adjustments related to certain prior period items excluded from adjusted earnings.

(d) Estimated 2014 impact of restructuring charges announced on July 29, 2014.

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

	2014
GAAP tax rate guidance	8% - 9%
Tax rate effect of known adjustments discussed above	7%
Adjusted tax rate guidance	15% - 16%

Provided July 29, 2014 as part of an oral presentation and is qualified by such, contains forward-looking statements, actual results may vary materially; Amgen disclaims any duty to update.

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Q2 ’14 Earnings Call

July 29, 2014