

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

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2015</b>	<b>2014</b>
Revenues:		
Product sales.....	\$ 4,874	\$ 4,356
Other revenues.....	159	165
Total revenues.....	<u>5,033</u>	<u>4,521</u>
Operating expenses:		
Cost of sales.....	1,033	1,090
Research and development.....	894	1,027
Selling, general and administrative.....	1,026	1,023
Other.....	58	17
Total operating expenses.....	<u>3,011</u>	<u>3,157</u>
Operating income.....	2,022	1,364
Interest expense, net.....	252	259
Interest and other income, net.....	<u>106</u>	<u>99</u>
Income before income taxes.....	1,876	1,204
Provision for income taxes.....	<u>253</u>	<u>131</u>
Net income.....	<u>\$ 1,623</u>	<u>\$ 1,073</u>
Earnings per share:		
Basic.....	\$ 2.13	\$ 1.42
Diluted.....	\$ 2.11	\$ 1.40
Weighted average shares used in calculation of earnings per share:		
Basic.....	761	757
Diluted.....	770	768

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

	<b>March 31, 2015</b>	<b>December 31, 2014</b>
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and marketable securities.....	\$ 27,118	\$ 27,026
Trade receivables, net.....	2,548	2,546
Inventories.....	2,686	2,647
Other current assets.....	2,712	2,494
Total current assets.....	<u>35,064</u>	<u>34,713</u>
Property, plant and equipment, net.....	5,123	5,223
Intangible assets, net.....	12,265	12,693
Goodwill.....	14,721	14,788
Other assets.....	1,779	1,592
Total assets.....	<u>\$ 68,952</u>	<u>\$ 69,009</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 5,836	\$ 6,508
Current portion of long-term debt.....	500	500
Total current liabilities.....	<u>6,336</u>	<u>7,008</u>
Long-term debt.....	29,841	30,215
Long-term deferred tax liability.....	3,330	3,461
Other non-current liabilities.....	2,939	2,547
Stockholders' equity.....	26,506	25,778
Total liabilities and stockholders' equity.....	<u>\$ 68,952</u>	<u>\$ 69,009</u>
Shares outstanding.....	760	760

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

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>GAAP cost of sales</b>	\$ 1,033	\$ 1,090
<b>Adjustments to cost of sales:</b>		
Acquisition-related expenses (a)	(284)	(404)
Accelerated depreciation and other charges pursuant to our restructuring initiative	(14)	-
Stock option expense	-	(2)
<b>Total adjustments to cost of sales</b>	<u>(298)</u>	<u>(406)</u>
<b>Adjusted cost of sales</b>	<u>\$ 735</u>	<u>\$ 684</u>
<b>GAAP research and development expenses</b>	\$ 894	\$ 1,027
<b>Adjustments to research and development expenses:</b>		
Acquisition-related expenses (b)	(21)	(31)
Accelerated depreciation and other charges pursuant to our restructuring initiative	(17)	-
Stock option expense	-	(2)
<b>Total adjustments to research and development expenses</b>	<u>(38)</u>	<u>(33)</u>
<b>Adjusted research and development expenses</b>	<u>\$ 856</u>	<u>\$ 994</u>
<b>GAAP selling, general and administrative expenses</b>	\$ 1,026	\$ 1,023
<b>Adjustments to selling, general and administrative expenses:</b>		
Acquisition-related expenses (b)	(29)	(38)
Certain charges pursuant to our restructuring initiative	(4)	-
Stock option expense	-	(2)
<b>Total adjustments to selling, general and administrative expenses</b>	<u>(33)</u>	<u>(40)</u>
<b>Adjusted selling, general and administrative expenses</b>	<u>\$ 993</u>	<u>\$ 983</u>
<b>GAAP operating expenses</b>	\$ 3,011	\$ 3,157
<b>Adjustments to operating expenses:</b>		
Adjustments to cost of sales	(298)	(406)
Adjustments to research and development expenses	(38)	(33)
Adjustments to selling, general and administrative expenses	(33)	(40)
Certain charges pursuant to our restructuring and other cost savings initiatives (c)	(57)	(15)
Other	(1)	(2)
<b>Total adjustments to operating expenses</b>	<u>(427)</u>	<u>(496)</u>
<b>Adjusted operating expenses</b>	<u>\$ 2,584</u>	<u>\$ 2,661</u>
<b>GAAP operating income</b>	\$ 2,022	\$ 1,364
Adjustments to operating expenses	427	496
<b>Adjusted operating income</b>	<u>\$ 2,449</u>	<u>\$ 1,860</u>
<b>GAAP income before income taxes</b>	\$ 1,876	\$ 1,204
Adjustments to operating expenses	427	496
<b>Adjusted income before income taxes</b>	<u>\$ 2,303</u>	<u>\$ 1,700</u>
<b>GAAP provision for income taxes</b>	\$ 253	\$ 131
Income tax effect of the above adjustments (d)	139	131
<b>Adjusted provision for income taxes</b>	<u>\$ 392</u>	<u>\$ 262</u>
<b>GAAP net income</b>	\$ 1,623	\$ 1,073
Adjustments to income before income taxes, net of the income tax effect of the above adjustments	288	365
<b>Adjusted net income</b>	<u>\$ 1,911</u>	<u>\$ 1,438</u>

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

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

	Three months ended March 31, 2015		Three months ended March 31, 2014	
	GAAP	Adjusted	GAAP	Adjusted
Net income.....	\$ 1,623	\$ 1,911	\$ 1,073	\$ 1,438
Weighted-average shares for diluted EPS.....	770	770	768	768
Diluted EPS.....	\$ 2.11	\$ 2.48	\$ 1.40	\$ 1.87

- (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 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.
- (c) The adjustments related primarily to severance expenses.
- (d) The tax effect of the adjustments between our GAAP and Adjusted results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact at the U.S. marginal tax rate for certain adjustments, including the majority of amortization of intangible assets, whereas the tax impact of other adjustments, including restructuring expense, depends on whether the amounts are deductible in the respective tax jurisdictions and the applicable tax rate(s) in those jurisdictions. Due to these factors, the effective tax rates for the adjustments to our GAAP income before income taxes, for the three months ended March 31, 2015 and 2014, were 32.6% and 26.4%, respectively.

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

	Three months ended	
	March 31,	
	2015	2014
Operating Cash Flow.....	\$ 1,329	\$ 1,142
Capital Expenditures.....	(118)	(172)
Free Cash Flow.....	<u>\$ 1,211</u>	<u>\$ 970</u>

**Reconciliation of GAAP EPS Guidance to Adjusted  
EPS Guidance for the Year Ending December 31, 2015**  
(Unaudited)

	2015		
<b>GAAP diluted EPS guidance</b> .....	\$ 7.78	-	\$ 8.13
<b>Known adjustments to arrive at Adjusted earnings*:</b>			
Acquisition-related expenses..... (a)		1.21	
Restructuring charges.....	0.31	-	0.36
<b>Adjusted diluted EPS guidance</b> .....	<u>\$ 9.35</u>	-	<u>\$ 9.65</u>

\* The known adjustments are presented net of their related tax impact which amount to approximately \$0.71 to \$0.73 per share in the aggregate.

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

**Reconciliation of GAAP Tax Rate Guidance to Adjusted  
Tax Rate Guidance for the Year Ending December 31, 2015**  
(Unaudited)

	2015		
<b>GAAP tax rate guidance</b> .....	13%	-	15%
Tax rate effect of known adjustments discussed above.....	4%	-	5%
<b>Adjusted tax rate guidance</b> .....	<u>18%</u>	-	<u>19%</u>