

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-Q**

(Mark One)

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

For the quarterly period ended September 30, 2012

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**

(State or other jurisdiction of  
incorporation or organization)

**95-3540776**

(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)

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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the 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

As of October 29, 2012, the registrant had 767,355,259 shares of common stock, \$0.0001 par value, outstanding.

AMGEN INC.

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PART I — FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

AMGEN INC.  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(In millions, except per share data)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
<b>Revenues:</b>				
Product sales	\$ 4,201	\$ 3,877	\$ 12,302	\$ 11,388
Other revenues	118	67	542	221
Total revenues	4,319	3,944	12,844	11,609
<b>Operating expenses:</b>				
Cost of sales (excludes amortization of certain acquired intangible assets presented separately)	705	605	2,066	1,771
Research and development	880	761	2,442	2,316
Selling, general and administrative	1,127	1,125	3,431	3,278
Amortization of certain acquired intangible assets	74	74	221	221
Other	110	854	195	873
Total operating expenses	2,896	3,419	8,355	8,459
Operating income	1,423	525	4,489	3,150
Interest expense, net	271	158	762	415
Interest and other income, net	111	87	359	364
Income before income taxes	1,263	454	4,086	3,099
Provision for income taxes	156	—	529	350
Net income	\$ 1,107	\$ 454	\$ 3,557	\$ 2,749
<b>Earnings per share:</b>				
Basic	\$ 1.44	\$ 0.50	\$ 4.57	\$ 2.98
Diluted	\$ 1.41	\$ 0.50	\$ 4.51	\$ 2.96
<b>Shares used in calculation of earnings per share:</b>				
Basic	771	907	779	922
Diluted	783	914	789	930
Dividends paid per share	\$ 0.36	\$ 0.28	\$ 1.08	\$ 0.28

See accompanying notes.

**AMGEN INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In millions)  
(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Net income	\$ 1,107	\$ 454	\$ 3,557	\$ 2,749
Other comprehensive income (loss), net of reclassification adjustments and income taxes	(4)	73	(24)	(35)
Comprehensive income	<u>\$ 1,103</u>	<u>\$ 527</u>	<u>\$ 3,533</u>	<u>\$ 2,714</u>

See accompanying notes.

**AMGEN INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions, except per share data)  
(Unaudited)

	September 30, 2012	December 31, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 5,823	\$ 6,946
Marketable securities	19,551	13,695
Trade receivables, net	2,696	2,896
Inventories	2,769	2,484
Other current assets	1,766	1,572
Total current assets	32,605	27,593
Property, plant and equipment, net	5,381	5,420
Intangible assets, net	3,680	2,584
Goodwill	12,589	11,750
Other assets	1,193	1,524
Total assets	\$ 55,448	\$ 48,871
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 878	\$ 642
Accrued liabilities	5,031	5,028
Current portion of long-term debt	2,458	84
Total current liabilities	8,367	5,754
Long-term debt	24,020	21,344
Other noncurrent liabilities	3,159	2,744
Contingencies and commitments		
Stockholders' equity:		
Common stock and additional paid-in capital; \$0.0001 par value; 2,750.0 shares authorized; outstanding - 768.1 shares in 2012 and 795.6 shares in 2011	29,103	27,777
Accumulated deficit	(9,348)	(8,919)
Accumulated other comprehensive income	147	171
Total stockholders' equity	19,902	19,029
Total liabilities and stockholders' equity	\$ 55,448	\$ 48,871

See accompanying notes.

**AMGEN INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

	Nine months ended September 30,	
	2012	2011
Cash flows from operating activities:		
Net income	\$ 3,557	\$ 2,749
Depreciation and amortization	815	799
Stock-based compensation expense	271	245
Other items, net	(72)	31
Changes in operating assets and liabilities, net of acquisitions:		
Trade receivables, net	198	(386)
Inventories	(175)	(273)
Other assets	213	(243)
Accounts payable	189	(5)
Accrued income taxes	(85)	(329)
Other liabilities	159	947
Net cash provided by operating activities	<u>5,070</u>	<u>3,535</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(489)	(343)
Cash paid for acquisitions, net of cash acquired	(1,990)	(701)
Purchases of marketable securities	(18,864)	(18,481)
Proceeds from sales of marketable securities	12,544	18,373
Proceeds from maturities of marketable securities	878	575
Other	(38)	11
Net cash used in investing activities	<u>(7,959)</u>	<u>(566)</u>
Cash flows from financing activities:		
Repayment of debt	(102)	(2,500)
Net proceeds from issuance of debt	4,933	2,973
Net proceeds from issuance of commercial paper	—	300
Repurchases of common stock	(3,390)	(3,017)
Dividends paid	(844)	(255)
Net proceeds from issuance of common stock in connection with the Company's equity award programs	1,129	126
Other	40	8
Net cash provided by (used in) financing activities	<u>1,766</u>	<u>(2,365)</u>
Increase (decrease) in cash and cash equivalents	(1,123)	604
Cash and cash equivalents at beginning of period	6,946	3,287
Cash and cash equivalents at end of period	<u>\$ 5,823</u>	<u>\$ 3,891</u>

See accompanying notes.

**AMGEN INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**September 30, 2012**  
**(Unaudited)**

**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. Our medicines help millions of patients in the fight against cancer, kidney disease, rheumatoid arthritis, bone disease, and other serious illnesses. We operate in one business segment: human therapeutics.

*Basis of presentation*

The financial information for the three and nine months ended September 30, 2012 and 2011, is unaudited but includes all adjustments (consisting of only normal recurring adjustments, unless otherwise indicated), which Amgen considers necessary for a fair presentation of its condensed consolidated results of operations for those periods. Interim results are not necessarily indicative of results for the full fiscal year.

Certain prior-period amounts shown within Cash flows from operating activities in our Condensed Consolidated Statements of Cash Flows have been reclassified to conform to the current-period presentation.

The condensed consolidated financial statements should be read in conjunction with our consolidated financial statements and the notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2011, and in our Quarterly Reports on Form 10-Q for the periods ended March 31, 2012, and June 30, 2012.

*Principles of consolidation*

The condensed 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 condensed 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 condensed consolidated financial statements and accompanying notes. Actual results may differ from those estimates.

*Property, plant and equipment, net*

Property, plant and equipment is recorded at historical cost, net of accumulated depreciation and amortization of \$6.4 billion and \$5.8 billion as of September 30, 2012, and December 31, 2011, respectively.

*Comprehensive income*

In January 2012, we adopted a new accounting standard that requires additional disclosures for comprehensive income. As permitted under this standard, we have elected to present comprehensive income in two separate but consecutive financial statements, consisting of a statement of income followed by a separate statement of comprehensive income. This standard was required to be applied retrospectively beginning January 1, 2012, except for certain provisions for which adoption was delayed.

*Cost savings initiatives*

Included in Other operating expenses for the three and nine months ended September 30, 2012, are charges for certain cost savings initiatives of \$36 million and \$106 million, respectively, compared with \$68 million and \$79 million for the corresponding periods of the prior year.

## 2. Business combinations

### *Micromet, Inc.*

On March 7, 2012, we acquired 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, that became a wholly owned subsidiary of Amgen. This transaction, which was accounted for as a business combination, provides us with an opportunity to further expand our oncology pipeline. Micromet's operations have been included in our condensed consolidated financial statements commencing on the acquisition date.

The consideration to acquire Micromet totaled \$1,146 million in cash which was allocated to the acquisition date fair values of assets acquired and liabilities assumed as follows (in millions):

Indefinite-lived intangible assets:		
In-process research and development (IPR&D)	\$	440
Contract assets		170
Finite-lived intangible assets — Developed technology		350
Goodwill		330
Cash and marketable securities		154
Deferred tax assets		43
Deferred tax liabilities		(317)
Other assets (liabilities), net		(24)
Total consideration	\$	<u>1,146</u>

The estimated fair value of acquired IPR&D is related to blinatumomab which is in phase 2 clinical development for the treatment of acute lymphoblastic leukemia. The estimated fair value was 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 this intangible asset. The projected cash flows from blinatumomab 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 U.S. Food and Drug Administration (FDA) and other regulatory agencies. IPR&D intangible assets acquired in a business combination are considered to be indefinite-lived until the completion or abandonment of the associated research and development (R&D) efforts.

The major risks and uncertainties associated with the timely and successful completion of development and commercialization of blinatumomab include our ability to confirm its 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 permitted to market a human therapeutic without obtaining regulatory approvals, and such approvals require completion of clinical trials that demonstrate a product candidate is safe and effective. Consequently, the eventual realized value of the acquired IPR&D may vary from its estimated fair value at the date of acquisition. The estimated incremental R&D costs to be incurred to obtain necessary regulatory approvals for blinatumomab are not material in any given year.

Contract assets represent the aggregate estimated fair values of receiving future milestone and royalty payments associated with various outlicensing arrangements entered into by Micromet prior to our acquisition of this company. The fair values of these contracts were determined by estimating the probability-weighted net cash flows associated with the agreements that may be received from the other parties discounted to present value using a discount rate that represents the estimated rate that market participants would use to value these intangible assets. These contract assets are considered indefinite-lived intangible assets and their assigned values will be expensed when the related revenues are earned or the associated R&D efforts are abandoned by the licensees. During the three months ended September 30, 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 developed technology acquired relates to Micromet's bi-specific T-cell engager 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 was determined by estimating the probability-weighted net cash flows attributable to this technology discounted to present value using a discount rate that represents the estimated rate that market participants would use to value this intangible asset. The fair value of this technology is being amortized on a straight-line basis over its estimated useful life of 10 years.



The excess of the acquisition date consideration over the fair values assigned to the assets acquired and the liabilities assumed of \$330 million was recorded as goodwill, which is not deductible for tax purposes. Goodwill was revised by \$38 million during the three months ended June 30, 2012, due primarily to the recognition of \$43 million in deferred tax assets related to the adjustment of tax attributes acquired. Goodwill is attributable primarily to expected synergies and other benefits from combining Micromet with our oncology development and commercialization activities and the deferred tax consequences of indefinite-lived and finite-lived intangible assets recorded for financial statement purposes.

#### *Mustafa Nevzat Pharmaceuticals*

On June 12, 2012, we acquired 99.4% 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. This transaction, which was accounted for as a business combination, provides us with the opportunity to expand our presence in Turkey and the surrounding region. MN's operations have been included in our condensed consolidated financial statements commencing on the acquisition date.

The consideration to acquire MN totaled \$677 million in cash which was allocated to the acquisition date fair values of assets acquired and liabilities assumed as follows (in millions):

Finite-lived intangible assets	\$	163
Property, plant and equipment		100
Trade receivables		79
Inventories		52
Goodwill		382
Deferred tax liabilities		(45)
Other assets (liabilities), net		(54)
Total consideration	\$	<u>677</u>

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.

The excess of the acquisition date consideration over the fair values assigned to the assets acquired and the liabilities assumed of \$382 million was recorded as goodwill, which is not deductible for tax purposes. Goodwill was revised by \$12 million during the three months ended September 30, 2012, due primarily to adjustments to certain liabilities. Goodwill is attributable primarily to MN's expected continued commercial presence in Turkey and other benefits.

Our accounting for this acquisition is preliminary and will be finalized upon completion of our analysis to determine the acquisition date fair values of certain assets acquired and liabilities assumed, including certain tax related items and residual goodwill.

#### *KAI Pharmaceuticals*

On July 5, 2012, we acquired all of the outstanding stock of KAI Pharmaceuticals (KAI), a privately held biotechnology company that is developing KAI-4169, its lead product candidate currently in phase 2 clinical development for the treatment of secondary hyperparathyroidism in patients with chronic kidney disease who are on dialysis. This transaction, which was accounted for as a business combination, provides us with an opportunity to further expand our nephrology pipeline. KAI's operations have been included in our condensed consolidated financial statements commencing on the acquisition date.

The consideration to acquire KAI totaled \$332 million in cash which was allocated to the acquisition date fair values of assets acquired and liabilities assumed as follows (in millions):

Indefinite-lived intangible assets - IPR&D	\$	260
Goodwill		146
Deferred tax liabilities		(100)
Other assets (liabilities), net		26
Total consideration	\$	<u>332</u>

The estimated fair value of acquired IPR&D is related to KAI-4169. The estimated fair value was 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 this intangible asset. The projected cash flows from KAI-4169 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.

The major risks and uncertainties associated with the timely and successful completion of development and commercialization of KAI-4169 include our ability to confirm its 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. Consequently, the eventual realized value of the acquired IPR&D may vary from its estimated fair value at the date of acquisition. The estimated incremental R&D costs to be incurred to obtain necessary regulatory approvals for KAI-4169 are not material in any given year.

The excess of the acquisition date consideration over the fair values assigned to the assets acquired and the liabilities assumed of \$146 million was recorded as goodwill, which is not deductible for tax purposes. Goodwill is attributable primarily to expected synergies and other benefits from combining KAI with our nephrology development and commercialization activities and the deferred tax consequences of indefinite-lived intangible assets recorded for financial statement purposes.

Our accounting for this acquisition is preliminary and will be finalized upon completion of our analysis to determine the acquisition date fair values of certain liabilities assumed and tax related items acquired.

Pro forma supplemental consolidated results of operations for the three and nine months ended September 30, 2012 and 2011, that assume the acquisitions of Micromet, MN and KAI occurred on January 1, 2011, are not provided because those results would not be materially different from our reported consolidated results of operations.

In addition to the increase in goodwill for the acquisitions of Micromet, MN and KAI discussed above, goodwill decreased by \$19 million during the nine months ended September 30, 2012, due to changes in foreign currency exchange rates.

### **3. Income taxes**

The effective tax rates for the three and nine months ended September 30, 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 of the United States. The effective tax rates for the three and nine months ended September 30, 2012 and 2011, were further reduced by foreign tax credits associated with the Puerto Rico excise tax described below. The federal R&D tax credit expired as of December 31, 2011, and was not reinstated as of September 30, 2012. Therefore our effective tax rates for the three and nine months ended September 30, 2012, do not include a benefit for the federal R&D tax credit.

Commencing January 1, 2011, Puerto Rico imposes a temporary excise tax on the purchase of goods and services from a related manufacturer in Puerto Rico. The excise tax is imposed on the gross intercompany purchase price of the goods and services and is effective for a six-year period beginning in 2011, with the excise tax rate declining in each year (4% in 2011, 3.75% in 2012, 2.75% in 2013, 2.5% in 2014, 2.25% in 2015 and 1% in 2016). 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. Excluding the impact of the Puerto Rico excise tax and the legal settlement charge recorded in 2011 (see Note 13, Contingencies and commitments), our effective tax rates for the three and nine months ended September 30, 2012, would have been 17.7% and 18.3%, respectively, compared with 13.9% and 17.1% for the corresponding periods of the prior year.

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 years ended on or before December 31, 2006, or to California state income tax examinations for years ended on or before December 31, 2003.

During the three and nine months ended September 30, 2012, the gross amount of our uncertain tax benefits (UTBs) increased by approximately \$99 million and \$249 million, respectively, as a result of tax positions taken during the current year. Substantially all of the UTBs as of September 30, 2012, if recognized, would affect our effective tax rate. As of September 30, 2012, we believe it is reasonably possible that our gross liabilities for UTBs may decrease by approximately \$330 million within the succeeding 12 months due to the resolution of federal and state audits.

#### 4. 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; our outstanding convertible notes, as discussed below; and our outstanding warrants (collectively “dilutive securities”). The convertible note hedges purchased in connection with the issuance of our convertible notes are excluded from the calculation of diluted EPS because their impact is always anti-dilutive.

Upon conversion of our convertible notes, the principal amount would be settled in cash, and the excess of the conversion value, as defined, over the principal amount may be settled in cash and/or shares of our common stock. Therefore, only the shares of our common stock potentially issuable with respect to the excess of the notes’ conversion value over their principal amount, if any, are considered as dilutive potential common shares for purposes of calculating diluted EPS. For the three months ended September 30, 2012, the conversion value of our convertible notes due in 2013 exceeded the related principal amount resulting in the assumed issuance of an additional 1 million shares for purposes of computing diluted EPS. The conversion values of our convertible notes for periods prior to the three months ended September 30, 2012, were less than the related principal amounts, and accordingly, no shares were assumed to be issued for purposes of computing diluted EPS for these periods.

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2012	2011	2012	2011
<b>Income (Numerator):</b>				
Net income for basic and diluted EPS	\$ 1,107	\$ 454	\$ 3,557	\$ 2,749
<b>Shares (Denominator):</b>				
Weighted-average shares for basic EPS	771	907	779	922
Effect of dilutive securities	12	7	10	8
Weighted-average shares for diluted EPS	783	914	789	930
Basic EPS	\$ 1.44	\$ 0.50	\$ 4.57	\$ 2.98
Diluted EPS	\$ 1.41	\$ 0.50	\$ 4.51	\$ 2.96

For the three and nine months ended September 30, 2012, there were employee stock-based awards, calculated on a weighted-average basis, to acquire 1 million and 8 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. For the three and nine months ended September 30, 2011, there were employee stock-based awards, calculated on a weighted-average basis, to acquire 33 million and 34 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. In addition, shares of our common stock that may be issued upon exercise of our warrants are not included in the computation of diluted EPS for any of the periods presented above because their impact would have been anti-dilutive.

#### 5. Collaborative arrangements

##### *AstraZeneca Plc.*

In March 2012, we entered into a collaboration agreement with AstraZeneca Plc. (AstraZeneca) to jointly develop and commercialize certain monoclonal antibodies from Amgen’s clinical inflammation portfolio, including brodalumab (AMG 827), AMG 139, AMG 157, AMG 181 and AMG 557. The agreement covers the worldwide development and commercialization, except for certain Asian countries for brodalumab and Japan for AMG 557, that 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 would be shared equally. In connection with the transfer of technology rights, Amgen received a payment of \$50 million which was recognized in Other revenues in the Condensed Consolidated Statement of Income for the nine months ended September 30, 2012. Cost recoveries recognized for development costs incurred under this agreement during the three and nine months ended September 30, 2012, were not material.

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

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 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 of Japan) development and commercialization of our product candidate, motesanib. The Japanese market products include Vectibix<sup>®</sup> and certain product candidates. In connection with this 2008 arrangement, we received upfront payments of \$300 million that were deferred and were being recognized as Other revenues in our Consolidated Statements of Income over the estimated period of continuing involvement of approximately 20 years. In June 2012, this arrangement was modified and as of the date of modification, \$230 million of this deferred revenue was on the balance sheet.

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 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. As a result of this modification, we will no longer participate in the development of motesanib and our obligations with respect to motesanib are limited primarily to closing the MONET1 clinical trial and transitioning certain existing development data and manufacturing capabilities (collectively “transition services”) from our contract manufacturer to Takeda. In exchange for licensing motesanib to Takeda, we received an additional upfront payment of \$3 million and will receive incremental cost recoveries of approximately \$21 million. 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.

Upon the modification of the arrangement, we determined that the remaining deliverables are: (i) the additional license rights to motesanib granted to Takeda and related transition services, (ii) commercial supply of Vectibix<sup>®</sup> and (iii) clinical and commercial supply and data relating to certain development activities, to the extent undertaken by Amgen, for the Japanese market products other than Vectibix<sup>®</sup>. We considered several factors in determining whether stand-alone value exists for each deliverable, including the rights and ability to perform the R&D activities, as well as the ability of parties to use a third party to perform their respective designated activities under the arrangement. The estimated selling prices for the undelivered items were determined by using third party evidence and best estimate of selling price (BESP) where applicable as of the date of modification. BESP was determined primarily using a probability-weighted discounted cash flow analysis. The fixed or determinable arrangement consideration was allocated to the undelivered items based on the relative selling price method and will be recognized as the services are performed or product is delivered. This amount was deducted from the sum of the consideration to be received in the future plus deferred revenue from the original 2008 arrangement as of the date of the modification of \$230 million with the remainder of \$206 million recognized as Other revenues in our Condensed Consolidated Statements of Income for the three months ended June 30, 2012. During the three months ended September 30, 2012, deferred revenue of \$24 million was recognized as the related services were completed. In addition, we may also receive royalties and numerous individually immaterial milestones aggregating \$337 million upon the achievement of various substantive success-based development and regulatory approval milestones. The receipt of these amounts, however, is contingent upon the occurrence of various future events that have a high degree of uncertainty of occurring.

## 6. 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 September 30, 2012	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
U.S. Treasury securities	\$ 3,936	\$ 24	\$ —	\$ 3,960
Other government-related debt securities:				
Obligations of U.S. government agencies and FDIC-guaranteed bank debt	1,180	18	—	1,198
Foreign and other	1,656	56	—	1,712
Corporate debt securities:				
Financial	3,158	99	(1)	3,256
Industrial	4,208	114	(4)	4,318
Other	420	12	—	432
Residential mortgage-backed securities	1,834	9	(7)	1,836
Other mortgage- and asset-backed securities	2,062	10	(6)	2,066
Money market mutual funds	4,000	—	—	4,000
Other short-term interest-bearing securities	2,105	—	—	2,105
Total debt security investments	24,559	342	(18)	24,883
Equity securities	50	2	—	52
Total available-for-sale investments	\$ 24,609	\$ 344	\$ (18)	\$ 24,935

Type of security as of December 31, 2011	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
U.S. Treasury securities	\$ 3,878	\$ 68	\$ —	\$ 3,946
Other government-related debt securities:				
Obligations of U.S. government agencies and FDIC-guaranteed bank debt	1,548	23	—	1,571
Foreign and other	441	9	—	450
Corporate debt securities:				
Financial	2,493	30	(15)	2,508
Industrial	3,077	79	(10)	3,146
Other	280	9	—	289
Residential mortgage-backed securities	518	3	(3)	518
Other mortgage- and asset-backed securities	1,271	3	(7)	1,267
Money market mutual funds	6,266	—	—	6,266
Total debt security investments	19,772	224	(35)	19,961
Equity securities	42	—	—	42
Total available-for-sale investments	\$ 19,814	\$ 224	\$ (35)	\$ 20,003

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

<b>Classification in the Condensed Consolidated Balance Sheets</b>	<b>September 30, 2012</b>	<b>December 31, 2011</b>
Cash and cash equivalents	\$ 5,332	\$ 6,266
Marketable securities	19,551	13,695
Other assets — noncurrent	52	42
Total available-for-sale investments	<u>\$ 24,935</u>	<u>\$ 20,003</u>

Cash and cash equivalents in the table above excludes cash of \$491 million and \$680 million as of September 30, 2012, and December 31, 2011, respectively.

The fair values of available-for-sale debt 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):

<b>Contractual maturity</b>	<b>September 30, 2012</b>	<b>December 31, 2011</b>
Maturing in one year or less	\$ 8,501	\$ 6,791
Maturing after one year through three years	4,998	5,855
Maturing after three years through five years	5,861	5,379
Maturing after five years through ten years	1,621	151
Mortgage- and asset-backed securities	3,902	1,785
Total debt security investments	<u>\$ 24,883</u>	<u>\$ 19,961</u>

For the three months ended September 30, 2012 and 2011, realized gains totaled \$31 million and \$32 million, and realized losses totaled \$11 million and \$12 million, respectively. For the nine months ended September 30, 2012 and 2011, realized gains totaled \$147 million and \$169 million, and realized losses totaled \$41 million and \$25 million, respectively. The cost of securities sold is based on the specific identification method.

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.

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 September 30, 2012, and December 31, 2011, we believe the cost bases for our available-for-sale investments were recoverable in all material respects.

## 7. Inventories

Inventories consisted of the following (in millions):

	<b>September 30, 2012</b>	<b>December 31, 2011</b>
Raw materials	\$ 198	\$ 158
Work in process	1,755	1,802
Finished goods	816	524
Total inventories	<u>\$ 2,769</u>	<u>\$ 2,484</u>

## 8. Intangible assets

Intangible assets consisted of the following (in millions):

	September 30, 2012			December 31, 2011		
	Gross carrying amount	Accumulated amortization	Intangible assets, net	Gross carrying amount	Accumulated amortization	Intangible assets, net
Finite-lived intangible assets:						
Acquired product technology rights:						
Developed product technology	\$ 2,872	\$ (1,955)	\$ 917	\$ 2,872	\$ (1,811)	\$ 1,061
Core technology	1,348	(917)	431	1,348	(850)	498
Trade name	190	(129)	61	190	(120)	70
Acquired R&D technology rights	687	(370)	317	350	(350)	—
Other acquired intangible assets	897	(457)	440	686	(406)	280
Total finite-lived intangible assets	5,994	(3,828)	2,166	5,446	(3,537)	1,909
Indefinite-lived intangible assets:						
IPR&D	1,358	—	1,358	675	—	675
Contract assets	156	—	156	—	—	—
Total indefinite-lived intangible assets	1,514	—	1,514	675	—	675
Total identifiable intangible assets	\$ 7,508	\$ (3,828)	\$ 3,680	\$ 6,121	\$ (3,537)	\$ 2,584

Acquired R&D technology rights, Other acquired intangible assets, IPR&D and Contract assets as of September 30, 2012, included the identifiable intangible assets acquired in connection with the acquisitions of Micromet, MN and KAI (see Note 2, Business combinations).

During the three months ended September 30, 2012 and 2011, we recognized amortization charges associated with our finite-lived intangible assets of \$101 million and \$93 million, respectively. During the nine months ended September 30, 2012 and 2011, we recognized amortization charges associated with our finite-lived intangible assets of \$290 million and \$289 million, respectively. The total estimated amortization charges for our finite-lived intangible assets for the three months ended December 31, 2012, and the years ended December 31, 2013, 2014, 2015, 2016 and 2017, are \$103 million, \$423 million, \$406 million, \$393 million, \$372 million and \$230 million, respectively.

## 9. Financing arrangements

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

	September 30, 2012	December 31, 2011
0.375% convertible notes due 2013 (0.375% 2013 Convertible Notes)	\$ 2,452	\$ 2,346
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	748
2.50% notes due 2016 (2.50% 2016 Notes)	999	999
2.125% notes due 2017 (2.125% 2017 Notes)	1,248	—
5.85% notes due 2017 (5.85% 2017 Notes)	1,099	1,099
6.15% notes due 2018 (6.15% 2018 Notes)	499	499
4.375% euro-denominated notes due 2018 (4.375% 2018 euro Notes)	710	714
5.70% notes due 2019 (5.70% 2019 Notes)	999	998
2.125% euro-denominated notes due 2019 (2.125% 2019 euro Notes)	871	—
4.50% notes due 2020 (4.50% 2020 Notes)	300	300
3.45% notes due 2020 (3.45% 2020 Notes)	897	897
4.10% notes due 2021 (4.10% 2021 Notes)	998	998
3.875% notes due 2021 (3.875% 2021 Notes)	1,745	1,745
3.625% notes due 2022 (3.625% 2022 Notes)	747	—
5.50% pound-sterling-denominated notes due 2026 (5.50% 2026 pound sterling Notes)	766	739
4.00% pound-sterling-denominated notes due 2029 (4.00% 2029 pound sterling Notes)	1,121	—
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)	595	595
5.15% notes due 2041 (5.15% 2041 Notes)	2,232	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	—
Other, including our zero-coupon convertible notes	116	184
Total debt	26,478	21,428
Less current portion	(2,458)	(84)
Total noncurrent debt	\$ 24,020	\$ 21,344

### Debt repayments

During the nine months ended September 30, 2012, we repaid \$102 million of debt, including the redemption of all of our outstanding zero-coupon convertible notes due in 2032 and debt assumed in the acquisition of MN.

### Debt issuances

During the nine months ended September 30, 2012, we issued debt securities in the following offerings:

- In May 2012, we issued \$3.0 billion aggregate principal amount of notes, consisting of the 2.125% 2017 Notes, the 3.625% 2022 Notes and the 5.375% 2043 Notes.



- In September 2012, we issued \$2.0 billion aggregate principal amount of notes, consisting of the 2.125% 2019 euro Notes (€675 million aggregate principal amount) and the 4.00% 2029 pound sterling Notes (£700 million aggregate principal amount).

All of the debt issued during 2012 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 the event of a change-in-control triggering event, as defined, we may be required to purchase all or a portion of these notes at a price equal to 101% of the principal amount of the notes plus accrued interest. Debt issuance costs incurred in connection with the issuance of this debt totaling approximately \$25 million are being amortized over the respective lives of the notes and the related charges are included in Interest expense, net in the Condensed Consolidated Statements of Income.

## 10. Stockholders' equity

### Stock repurchase program

Activity under our stock repurchase program was as follows (in millions):

	2012		2011	
	Shares	Dollars	Shares	Dollars
First quarter	21.0	\$ 1,429	—	\$ —
Second quarter	17.4	1,203	12.9	732
Third quarter	9.7	797	45.4	2,421
Total stock repurchases	48.1	\$ 3,429	58.3	\$ 3,153

As of September 30, 2012, \$1.6 billion remained available under our \$10 billion Board of Directors-approved stock repurchase program.

### Shares issued for stock-based compensation programs

Common stock issued in connection with the Company's equity award programs totaled 8.7 million shares and 20.6 million shares for the three and nine months ended September 30, 2012, respectively.

### Dividends

On December 15, 2011, the Board of Directors declared a quarterly cash dividend of \$0.36 per share of common stock, which was paid on March 7, 2012. On March 15, 2012, the Board of Directors declared a quarterly cash dividend of \$0.36 per share of common stock, which was paid on June 7, 2012. On July 19, 2012, the Board of Directors declared a quarterly cash dividend of \$0.36 per share of common stock, which was paid on September 7, 2012. On October 10, 2012, the Board of Directors declared a quarterly cash dividend of \$0.36 per share of common stock, which will be paid on December 7, 2012, to all stockholders of record as of the close of business on November 15, 2012.

## 11. 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 September 30, 2012, using:	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Assets:</b>				
Available-for-sale securities:				
U.S. Treasury securities	\$ 3,960	\$ —	\$ —	\$ 3,960
Other government-related debt securities:				
Obligations of U.S. government agencies and FDIC-guaranteed bank debt	—	1,198	—	1,198
Foreign and other	—	1,712	—	1,712
Corporate debt securities:				
Financial	—	3,256	—	3,256
Industrial	—	4,318	—	4,318
Other	—	432	—	432
Residential mortgage-backed securities	—	1,836	—	1,836
Other mortgage- and asset-backed securities	—	2,066	—	2,066
Money market mutual funds	4,000	—	—	4,000
Other short-term interest-bearing securities	—	2,105	—	2,105
Equity securities	52	—	—	52
Derivatives:				
Foreign currency contracts	—	87	—	87
Cross-currency swap contracts	—	12	—	12
Total assets	<u>\$ 8,012</u>	<u>\$ 17,022</u>	<u>\$ —</u>	<u>\$ 25,034</u>
<b>Liabilities:</b>				
Derivatives:				
Foreign currency contracts	\$ —	\$ 55	\$ —	\$ 55
Cross-currency swap contracts	—	27	—	27
Contingent consideration obligations in connection with a business combination	—	—	195	195
Total liabilities	<u>\$ —</u>	<u>\$ 82</u>	<u>\$ 195</u>	<u>\$ 277</u>

Fair value measurement as of December 31, 2011, using:	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Assets:</b>				
Available-for-sale investments:				
U.S. Treasury securities	\$ 3,946	\$ —	\$ —	\$ 3,946
Other government-related debt securities:				
Obligations of U.S. government agencies and FDIC-guaranteed bank debt	—	1,571	—	1,571
Foreign and other	—	450	—	450
Corporate debt securities:				
Financial	—	2,508	—	2,508
Industrial	—	3,146	—	3,146
Other	—	289	—	289
Residential mortgage-backed securities	—	518	—	518
Other mortgage- and asset-backed securities	—	1,267	—	1,267
Money market mutual funds	6,266	—	—	6,266
Equity securities	42	—	—	42
Derivatives:				
Foreign currency contracts	—	172	—	172
Interest rate swap contracts	—	377	—	377
Total assets	<u>\$ 10,254</u>	<u>\$ 10,298</u>	<u>\$ —</u>	<u>\$ 20,552</u>
<b>Liabilities:</b>				
Derivatives:				
Foreign currency contracts	\$ —	\$ 48	\$ —	\$ 48
Cross-currency swap contracts	—	26	—	26
Contingent consideration obligations in connection with a business combination				
	—	—	190	190
Total liabilities	<u>\$ —</u>	<u>\$ 74</u>	<u>\$ 190</u>	<u>\$ 264</u>

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 Standard & Poor's (S&P) and AA- or equivalent by Moody's Investors Service, Inc. (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 and Moody's and A by 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; and other observable inputs.

Our residential mortgage-, other mortgage- and asset-backed securities portfolio is composed entirely of senior tranches, with credit ratings of AA+ by S&P and AAA or equivalent by 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.

Substantially all of our foreign currency forward and option derivatives contracts have maturities primarily over a three-year time horizon and all are with counterparties that have minimum credit ratings of A- or equivalent by S&P, Moody's or Fitch.

We estimate 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, London Interbank Offered Rates (LIBOR), 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 12, 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 estimate 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 12, Derivative instruments.)

All of our interest rate swap contracts were terminated during the three months ended June 30, 2012 (See Note 12, Derivative instruments.) While outstanding, our interest rate swap contracts were with counterparties that had 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.

As a result of our acquisition of BioVex Group, Inc. 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 malignant melanoma. The three largest of these potential payments are \$125 million each, including the amount due upon completion of the filing of a Biologics License Application with the FDA. Potential payments are also due upon 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 achievement of specified levels of sales within specified periods of time.

These contingent consideration obligations are recorded at their estimated fair values with any changes in fair value recognized in earnings. The fair value measurements of these obligations are based on significant unobservable inputs, including the estimated probabilities and timing of achieving the related regulatory events in connection with these milestones and, as applicable, estimated annual sales. Significant changes (increases or decreases) in these inputs would result in corresponding changes in the fair values of the contingent consideration obligations.

Annually, or whenever there are significant changes in underlying key assumptions, we estimate the fair values of these contingent consideration obligations by using a combination of probability-adjusted discounted cash flows, option pricing techniques and a simulation model of expected annual sales. Quarterly, a review of key assumptions is performed by management in our R&D and commercial sales organizations. In the absence of any significant changes in key assumptions, the quarterly determination of fair values of these contingent consideration obligations reflects the passage of time and changes in our credit risk adjusted rate used to discount obligations to present value. During the three and nine months ended September 30, 2012, there were no significant changes in underlying key assumptions; and the increases in the estimated aggregate fair value of \$2 million and \$5 million, respectively, were recorded in Other operating expenses in the Condensed Consolidated Statements of Income.

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 nine months ended September 30, 2012 and 2011, of assets and liabilities that are not measured at fair value on a recurring basis. See Note 2, Business combinations for further discussion on an impairment of an indefinite-lived intangible asset that we recognized during the three months ended September 30, 2012.

#### *Summary of the fair value of other financial instruments*

##### *Borrowings*

We estimate the fair values of our convertible notes (Level 2) by using an income-based industry standard valuation model for which all significant inputs are observable either directly or indirectly, including benchmark yields adjusted for our credit risk. The fair value of our convertible notes represents only the liability components of these instruments, because their equity components are included in Common stock and additional paid-in capital in the Condensed Consolidated Balance Sheets. We estimate the fair values of our other long-term notes (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 September 30, 2012, and December 31, 2011, the aggregate fair values of our long-term debt were \$29.5 billion and \$23.0 billion, respectively, and the carrying values were \$26.5 billion and \$21.4 billion, respectively.

## 12. 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 September 30, 2012, and December 31, 2011, we had open foreign currency forward contracts with notional amounts of \$3.0 billion and \$3.5 billion, respectively, and open foreign currency option contracts with notional amounts of \$261 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 Accumulated Other Comprehensive Income (AOCI) in the Condensed Consolidated Balance Sheets 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):

Hedged notes	Foreign currency		U.S. dollars	
	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):

Derivatives in cash flow hedging relationships	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Foreign currency contracts	\$ (127)	\$ 105	\$ (25)	\$ (113)
Cross-currency swap contracts	38	—	11	—
Forward interest rate contracts	—	—	(7)	—
Total	\$ (89)	\$ 105	\$ (21)	\$ (113)

The location in the Condensed Consolidated Statements of Income and the effective portion of the gain/(loss) reclassified from AOCI into earnings for our derivative instruments designated as cash flow hedges were as follows (in millions):

Derivatives in cash flow hedging relationships	Statements of Income location	Three months ended September 30,		Nine months ended September 30,	
		2012	2011	2012	2011
Foreign currency contracts	Product sales	\$ 38	\$ (41)	\$ 67	\$ (82)
Cross-currency swap contracts	Interest and other income, net	58	—	54	—
Forward interest rate contracts	Interest expense, net	—	(1)	(1)	(1)
Total		\$ 96	\$ (42)	\$ 120	\$ (83)

No portions of our cash flow hedge contracts are excluded from the assessment of hedge effectiveness, and the ineffective portions of these hedging instruments were approximately \$1 million of losses for both the three and nine months ended September 30, 2012. The ineffective portions of these hedging instruments were approximately \$1 million of gains for both the three and nine months ended September 30, 2011. As of September 30, 2012, the amounts expected to be reclassified from AOCI into earnings over the next 12 months are approximately \$3 million of net gains 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 entered into interest rate swap contracts, which qualified and were designated as fair value hedges. The terms of these interest rate swap contracts corresponded 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. While outstanding, the rates on these swaps ranged from LIBOR plus 0.3% to LIBOR plus 2.6%. As of December 31, 2011, we had interest rate swap contracts with aggregate notional amounts 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. Due to historically low interest rates, during the three months ended June 30, 2012, we terminated all of these interest rate swap contracts resulting in the receipt of \$397 million from the counterparties, which was included in Net cash provided by operating activities in the Condensed Consolidated Statements of Cash Flows for the current year period. This amount is being recognized in Interest expense, net in the Condensed 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. While the interest rate swaps were outstanding, for the nine months ended September 30, 2012, we included the unrealized losses on the hedged debt of \$20 million in the same line item, Interest expense, net, in the Condensed Consolidated Statements of Income, as the offsetting unrealized gains of \$20 million on the related interest rate swap contracts. For the three and nine months ended September 30, 2011, we included the unrealized losses on the hedged debt of \$149 million and \$186 million, respectively, in the same line item, Interest expense, net, in the Condensed Consolidated Statements of Income, as the offsetting unrealized gains of \$149 million and \$186 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 September 30, 2012, and December 31, 2011, the total notional amounts of these foreign currency forward contracts were \$743 million and \$389 million, respectively.

The location in the Condensed 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):

Derivatives not designated as hedging instruments	Statements of Income location	Three months ended September 30,		Nine months ended September 30,	
		2012	2011	2012	2011
Foreign currency contracts	Interest and other income, net	\$ 3	\$ 50	\$ 13	\$ (10)

The fair values of derivatives included in the Condensed Consolidated Balance Sheets were as follows (in millions):

September 30, 2012	Derivative assets		Derivative liabilities	
	Balance Sheet location	Fair value	Balance Sheet location	Fair value
<b>Derivatives designated as hedging instruments:</b>				
Cross-currency swap contracts	Other current assets/ Other noncurrent assets	\$ 12	Accrued liabilities/ Other noncurrent liabilities	\$ 27
Foreign currency contracts	Other current assets/ Other noncurrent assets	82	Accrued liabilities/ Other noncurrent liabilities	54
Total derivatives designated as hedging instruments		94		81
<b>Derivatives not designated as hedging instruments:</b>				
Foreign currency contracts	Other current assets	5	Accrued liabilities	1
Total derivatives not designated as hedging instruments		5		1
Total derivatives		\$ 99		\$ 82

December 31, 2011	Derivative assets		Derivative liabilities	
	Balance Sheet location	Fair value	Balance Sheet location	Fair value
<b>Derivatives designated as hedging instruments:</b>				
Interest rate swap contracts	Other current assets/ Other noncurrent assets	\$ 377	Accrued liabilities/ Other noncurrent liabilities	\$ —
Cross-currency swap contracts	Other current assets/ Other noncurrent assets	—	Accrued liabilities/ Other noncurrent liabilities	26
Foreign currency contracts	Other current assets/ Other noncurrent assets	172	Accrued liabilities/ Other noncurrent liabilities	48
Total derivatives designated as hedging instruments		549		74
<b>Derivatives not designated as hedging instruments:</b>				
Foreign currency contracts	Other current assets	—	Accrued liabilities	—
Total derivatives not designated as hedging instruments		—		—
Total derivatives		\$ 549		\$ 74

Our derivative contracts that were in liability positions as of September 30, 2012, 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.

The cash flow effects of our derivatives contracts for the nine months ended September 30, 2012 and 2011, are included within Net cash provided by operating activities in the Condensed Consolidated Statements of Cash Flows.

### 13. Contingencies and commitments

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. See Note 18, Contingencies and commitments to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2011, and Note 13, Contingencies and commitments to our condensed consolidated financial statements in our Quarterly Reports on Form 10-Q for the periods ended March 31, 2012, and June 30, 2012, for further discussion of certain of our legal proceedings and other matters.

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. Excluding fees paid to our external counsel, as of September 30, 2012, the Company has accrued \$806 million associated with the previously-announced proposed settlement of the allegations arising out of the federal civil and criminal investigations pending in the U.S. Attorney's Offices for the Eastern District of New York and the Western District of Washington (the Federal Investigations) and the proposed settlement of an additional civil qui tam matter we now expect to be resolved in connection with the Federal Investigations (see Government Investigations and Qui Tam Actions below), which includes accrued interest potentially due on the proposed settlement.

Our legal proceedings range from cases brought by a single plaintiff to a class action 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. Except for the proposed settlement of the allegations arising out of the Federal Investigations and the settlement of the additional civil qui tam expected to be resolved in connection with the Federal Investigations, in each of the matters described in this filing, in Note 18 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2011, or in Note 13 to our condensed consolidated financial statements in our Quarterly Reports on Form 10-Q for the periods ended March 31, 2012, and June 30, 2012, 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, except for the proposed settlement of the allegations arising out of the Federal Investigations and the settlement of the additional civil qui tam expected to be resolved in connection with the Federal Investigations, none of the matters described in these filings 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, including further adverse determinations associated with the pending investigations described above, could have a material adverse effect on our consolidated results of operations, financial position or cash flows.

Certain recent developments concerning our legal proceedings and other matters are discussed below:

#### *Co-Pay Litigation*

A class action lawsuit titled *American Federation of State, County and Municipal Employees District Council 37 Health & Security Plan and Sergeants Benevolent Association Health and Welfare Fund, individually and on behalf of all others similarly situated v. Amgen and Pfizer Inc. (Pfizer)* was filed on March 7, 2012 in the U.S. District Court for the Eastern District of New York. That suit was dismissed and re-filed in the U.S. District Court for the Southern District of New York on March 27, 2012. The complaint challenged the lawfulness of prescription co-pay assistance programs implemented by Amgen and Pfizer for certain of their products, including Amgen's Enbrel<sup>®</sup> and Sensipar<sup>®</sup>. On October 4, 2012, all claims against Amgen in this lawsuit were voluntarily dismissed.

#### *Government Investigations and Qui Tam Actions*

In October 2011, Amgen announced it had reached an agreement in principle to settle allegations relating to its sales and marketing practices arising out of the Federal Investigations. Amgen continues to engage in productive settlement discussions with government representatives and currently expects that the agreement in principle will be formalized in a written settlement agreement (the Settlement Agreement) before the end of 2012. Amgen continues to expect that the Settlement Agreement will resolve the Federal Investigations, the related state Medicaid claims and the claims in U.S. ex rel. Westmoreland v. Amgen, et al. and nine other Qui Tam Actions described in Note 18, Contingencies and commitments to its consolidated financial statements in its Annual Report on Form 10-K for the year ended December 31, 2011, in a manner that will not result in exclusion from U.S. federally-funded health care programs. Amgen now expects that the Settlement Agreement will also resolve the claims of one of the other civil qui tam actions that were not included in the agreement in principle but of which Amgen was made aware during settlement discussions. (See Note 18, Contingencies and commitments to our consolidated financial statements in our Annual



Report on Form 10-K for the year ended December 31, 2011.) The additional qui tam action that Amgen expects will be resolved by the Settlement Agreement (the Additional Qui Tam) includes allegations that Amgen's promotional, contracting, sales and marketing activities and arrangements relating to ENBREL caused the submission of various false claims under the Federal Civil False Claims Act and various State False Claims Acts. Until the Settlement Agreement is signed, the Additional Qui Tam will remain under seal in the U.S. federal court in which it was filed.

In connection with entering into the Settlement Agreement, Amgen expects to also enter into a corporate integrity agreement with the Office of Inspector General of the U.S. Department of Health and Human Services. The proposed settlement remains subject to continuing discussions regarding the components of the Settlement Agreement and the corporate integrity agreement and the completion and execution of all required documentation, and until the proposed settlement and the corporate integrity agreement each become final, there can be no guarantee that these matters will be resolved by the agreement in principle.

As previously disclosed, as part of the settlement discussions described above, Amgen was made aware that it is a defendant in several other civil qui tam actions (the Other Qui Tams) in addition to those included in the agreement in principle. As stated above, we now expect that one of the Other Qui Tams (the Additional Qui Tam) will be resolved by the Settlement Agreement. Amgen has been informed that it has been dismissed from two of the Other Qui Tams: U.S. ex rel. May v. Amgen, et al. and another matter that continues under seal against other defendants. Amgen has reached a separate agreement in principle and expects to enter into a written settlement agreement to resolve a fourth Other Qui Tam, for which Amgen has accrued an immaterial amount, before the end of 2012; that matter will remain under seal in the U.S. federal court where it was filed until the settlement agreement is signed. The fifth and final Other Qui Tam action remains under seal in the U.S. federal court in which it was filed and includes allegations that Amgen's promotional, contracting, sales and marketing activities and arrangements relating to Aranesp<sup>®</sup>, NEUPOGEN<sup>®</sup>, Neulasta<sup>®</sup>, XGEVA<sup>®</sup>, Prolia<sup>®</sup>, Vectibix<sup>®</sup> and Nplate<sup>®</sup> caused the submission of various false claims under the Federal Civil False Claims Act and various State False Claims Acts. Amgen continues to cooperate fully with the government in its investigation of these allegations.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### *Forward-looking statements*

This report and other documents we file with the U.S. Securities and Exchange Commission (SEC) contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, our future performance, our business, 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 in Part II herein. 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, 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 of Financial Condition and Results of Operations (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 Annual Report on Form 10-K for the year ended December 31, 2011, and our Quarterly Reports on Form 10-Q for the periods ended March 31, 2012, and June 30, 2012. Our results of operations discussed in MD&A are presented in conformity with GAAP.

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. Our medicines help millions of patients in the fight against cancer, kidney disease, rheumatoid arthritis, bone disease, and other serious illnesses. We operate in one business segment: human therapeutics. Therefore, our results of operations are discussed on a consolidated basis.

Currently, we market primarily recombinant protein therapeutics in supportive cancer care, nephrology and inflammation. Our principal products are Neulasta<sup>®</sup> (pegfilgrastim), NEUPOGEN<sup>®</sup> (Filgrastim), ENBREL (etanercept) and our erythropoiesis-stimulating agents (ESAs): Aranesp<sup>®</sup> (darbepoetin alfa) and EPOGEN<sup>®</sup> (epoetin alfa). Our product sales outside the United States consist principally of sales in Europe. For the three and nine months ended September 30, 2012, our principal products represented 81% and 82% of worldwide product sales, respectively; and for the three and nine months ended September 30, 2011, our principal products represented 86% and 88% of worldwide product sales, respectively. Our other marketed products include principally Sensipar<sup>®</sup>/Mimpara<sup>®</sup> (cinacalcet), Vectibix<sup>®</sup> (panitumumab), Nplate<sup>®</sup> (romiplostim), XGEVA<sup>®</sup> (denosumab) and Prolia<sup>®</sup> (denosumab).

## Significant developments

Following is a summary of selected significant developments affecting our business that have occurred to date since June 30, 2012. For additional developments or for a more comprehensive discussion of certain developments discussed below, see our Annual Report on Form 10-K for the year ended December 31, 2011, and our Quarterly Reports on Form 10-Q for the periods ended March 31, 2012, and June 30, 2012.

### Products/Pipeline

#### *Sensipar*<sup>®</sup>

- On November 3, 2012, we presented at American Society of Nephrology's Kidney Week the results of the phase 3 E.V.O.L.V.E<sup>™</sup> (EValuation Of Cinacalcet HCl Therapy to Lower CardioVascular Events) trial. As previously reported, the primary analysis showed that the trial did not reach its primary endpoint (time to composite event comprising all-cause mortality or first non-fatal cardiovascular event, including myocardial infarction, hospitalization for unstable angina, heart failure or peripheral vascular event) in the intent-to-treat analysis (see Significant Developments in our Form 10-Q for the period ended June 30, 2012). Baseline characteristics between the Sensipar<sup>®</sup>/Mimpara<sup>®</sup> and placebo groups were generally well-balanced with the notable exception of age - an important predictor of death and cardiovascular events. Patients in the Sensipar<sup>®</sup>/Mimpara<sup>®</sup> group were one-year older than those in the placebo group (median age 55 and 54 years, respectively). A pre-specified analysis adjusting for baseline imbalances showed that treatment with Sensipar<sup>®</sup>/Mimpara<sup>®</sup> resulted in a 12% reduction in the primary endpoint (Hazard Ratio (HR) 0.88, 95% Confidence Interval (CI) 0.79 to 0.97). Discontinuation of investigational product was common in both arms and more frequent in the placebo group (66.7% versus 70.5%, respectively). Reasons for discontinuation included kidney transplant, parathyroidectomy, adverse events, and patient request. A pre-specified analysis, which excluded data from patients that was collected beyond six months after stopping investigational product, showed a 15% reduction in the primary endpoint (HR 0.85, 95% CI 0.76 to 0.95).

#### *AMG 145*

- On November 5 and 6, 2012, we presented data from four phase 2 studies evaluating AMG 145 as monotherapy, in combination with statin therapy, in heterozygous familial hypercholesterolemia (HeFH), and in statin-intolerant subjects. In each of these studies treatment with AMG 145 resulted in statistically significant reductions in low-density lipoprotein cholesterol (LDL-C) compared to the control arms at 12 weeks. Results from the MENDEL study (evaluating AMG 145 as monotherapy) demonstrated that treatment with AMG 145 reduced LDL-C by up to 47% compared to placebo when dosed every 2 weeks (Q2W) (mean reductions from baseline of 41% in the 70 mg group, 44% in the 105 mg group and 51% in the 140 mg group, versus 4% for placebo) and up to 53% compared to placebo when dosed every four weeks (Q4W) (mean reductions from baseline of 39% in the 280 mg group, 43% in the 350 mg group and 48% in the 420 mg group, versus 5% increase for placebo). In the MENDEL study, the most common adverse events (AEs) reported for AMG 145 were upper respiratory tract infection, nasopharyngitis and diarrhea. Results from the LAPLACE-TIMI 57 study (evaluating AMG 145 in hypercholesterolemic patients with statins) demonstrated that adding AMG 145 to statin therapy reduced LDL-C by up to 66% compared to placebo when dosed Q2W (mean reductions versus placebo of 42% in the 70 mg group, 60% in the 105 mg group and 66% in the 140 mg group) and up to 50% when dosed Q4W (mean reductions versus placebo of 42% in the 280 mg group, 50% in the 350 mg group and 50% in the 420 mg group). In the LAPLACE-TIMI 57 study, the most common AEs reported for the AMG 145 group were nasopharyngitis, cough and nausea. Results from the RUTHERFORD study (evaluating AMG 145 in combination with statin therapy, with or without ezetimibe, in patients with HeFH) showed treatment with AMG 145 dosed Q4W reduced LDL-C by up to 56% versus placebo (mean reductions from baseline of 43% in the 350 mg group and 55% in the 420 mg group, versus an increase of 1% for placebo). In the RUTHERFORD study, the most common AEs reported for the AMG 145 group were nasopharyngitis, injection-site reaction and headache. Results from the GAUSS study (evaluating AMG 145 in hypercholesterolemic patients who cannot tolerate statins) demonstrated that treatment with AMG 145 dosed Q4W reduced LDL-C from baseline by up to 51% with AMG 145 (mean reductions from baseline of 41% in the AMG 145 280 mg group, 43% in the AMG 145 350 mg group and 51% in the AMG 145 420 mg group versus 15% in the placebo/ezetimibe 10 mg group) and up to 63% with the combination of AMG 145 and ezetimibe (mean reductions from baseline of 63% in the AMG 145 420 mg/ezetimibe 10 mg group versus 15% in the placebo/ezetimibe 10 mg group). In the GAUSS study, the most common AEs reported for the AMG 145 group were myalgia, nasopharyngitis, nausea and fatigue.

#### *Brodalumab (AMG 827)*

- On October 23, 2012, we announced the start of a phase 3 program in moderate-to-severe psoriasis. The program consists of three phase 3 studies, with ustekinumab and/or placebo controls. Brodalumab is one of five inflammation monoclonal antibodies being jointly developed in the collaboration with AstraZeneca that was announced in April 2012.

- On September 20, 2012, we announced that the FDA approved a new indication for Prolia® as a treatment to increase bone mass in men with osteoporosis at high risk for fracture.

### Selected financial information

Following is an overview of our results of operations for the three and nine months ended September 30, 2012, as well as our financial condition as of September 30, 2012 (amounts in millions, except percentages and per-share data):

	Three months ended September 30,			Nine months ended September 30,		
	2012	2011	Change	2012	2011	Change
Product sales:						
U.S.	\$ 3,248	\$ 2,965	10 %	\$ 9,500	\$ 8,718	9 %
ROW	953	912	4 %	2,802	2,670	5 %
Total product sales	4,201	3,877	8 %	12,302	11,388	8 %
Other revenues	118	67	76 %	542	221	*
Total revenues	\$ 4,319	\$ 3,944	10 %	\$ 12,844	\$ 11,609	11 %
Operating expenses	\$ 2,896	\$ 3,419	(15)%	\$ 8,355	\$ 8,459	(1)%
Operating income	\$ 1,423	\$ 525	*	\$ 4,489	\$ 3,150	43 %
Net income	\$ 1,107	\$ 454	*	\$ 3,557	\$ 2,749	29 %
Diluted EPS	\$ 1.41	\$ 0.50	*	\$ 4.51	\$ 2.96	52 %
Diluted shares	783	914	(14)%	789	930	(15)%

\* Change in excess of 100%

The increases in U.S. product sales for the three and nine months ended September 30, 2012, reflect growth for most of our marketed products. ESAs declined 11% for both periods. Excluding ESAs, U.S. product sales increased 16% for both periods.

The increases in rest-of-the-world (ROW) product sales for the three and nine months ended September 30, 2012, reflect growth for all of our marketed products except Aranesp®, which declined 3% and 5%, and combined Neulasta®/NEUPOGEN®, which declined 12% and 10%, in the respective periods.

The increase in other revenues for the three months ended September 30, 2012, was driven by: (i) a milestone payment received in the quarter related to the initiation of the brodalumab (AMG 827) phase 3 psoriasis study and (ii) revenue earned in the quarter related to motesanib. The increase for the nine months ended September 30, 2012, was driven by a modification to our Takeda collaboration in the second quarter of 2012 which replaced a global co-development and profit share agreement for motesanib, originally signed in 2008, with an exclusive license for Takeda to develop, manufacture and commercialize motesanib. That modification resulted in revenue recognition of \$232 million for the nine months ended September 30, 2012. In addition, the nine months ended September 30, 2012, also reflect milestone payments received earlier in the year from AstraZeneca and Astellas Pharma Inc.

The decrease in operating expenses for the three months ended September 30, 2012, was due primarily to the negative impact in 2011 from a previously disclosed charge for a legal settlement reserve of \$780 million. For the nine months ended September 30, 2012 as compared with the nine months ended September 30, 2011, the impact from the 2011 legal settlement reserve was offset largely by increases in cost of sales, Selling, General & Administrative (SG&A) and R&D spending.

The increases in net income for the three and nine months ended September 30, 2012, were due primarily to higher operating income, offset partially by higher interest expense, net, and higher effective income tax rates in the 2012 periods.

The increases in diluted EPS for the three and nine months ended September 30, 2012, were driven primarily by increases in net income and, to a lesser extent, by the favorable impacts of our stock repurchase program, which reduced the number of shares used to compute diluted EPS.

Commencing January 1, 2011, Puerto Rico imposes a temporary excise tax on the purchase of goods and services from a related manufacturer in Puerto Rico. The excise tax is imposed on the gross intercompany purchase price of the goods and services and is effective for a six-year period beginning in 2011, with the excise tax rate declining in each year (4% in 2011, 3.75% in

2012, 2.75% in 2013, 2.5% in 2014, 2.25% in 2015 and 1% in 2016). 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. This excise tax has had and will continue to have a significant adverse impact on our cost of sales and a significant favorable impact on our provision for income taxes. In addition, the overall impact of the excise tax will vary from period to period as a result of the timing difference between recognizing the expense and the applicable tax credit. For the three and nine months ended September 30, 2012, cost of sales increased by \$87 million and \$253 million, respectively, compared with \$74 million and \$132 million for the corresponding periods of the prior year. The provision for income taxes decreased by \$82 million and \$264 million, for the three and nine months ended September 30, 2012, respectively, as a result of this excise tax compared with \$106 million and \$259 million for the corresponding periods of the prior year.

As of September 30, 2012, our cash, cash equivalents and marketable securities totaled \$25.4 billion and total debt outstanding was \$26.5 billion. Of our total cash, cash equivalents and marketable securities balances as of September 30, 2012, approximately \$18.8 billion was generated from operations in foreign tax jurisdictions and is intended to be invested indefinitely outside of 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 U.S. federal and state income taxes at the applicable marginal tax rates.

## Results of operations

### Product sales

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

	Three months ended September 30,			Nine months ended September 30,		
	2012	2011	Change	2012	2011	Change
Neulasta <sup>®</sup> /NEUPOGEN <sup>®</sup>	\$ 1,355	\$ 1,335	1 %	\$ 4,046	\$ 3,893	4 %
ENBREL	1,079	925	17 %	3,075	2,756	12 %
Aranesp <sup>®</sup>	497	600	(17)%	1,551	1,765	(12)%
EPOGEN <sup>®</sup>	491	476	3 %	1,462	1,554	(6)%
Other products	779	541	44 %	2,168	1,420	53 %
Total product sales	\$ 4,201	\$ 3,877	8 %	\$ 12,302	\$ 11,388	8 %

Product sales are influenced by a number of factors, some of which may impact sales of certain of our products more significantly than others do. For a list of certain of those factors and their potential impact on sales, see Item 7 – Product Sales in our Annual Report on Form 10-K for the year ended December 31, 2011, and Item 2 – Product Sales in our Quarterly Reports on Form 10-Q for the periods ended March 31, 2012, and June 30, 2012.

### Neulasta<sup>®</sup>/NEUPOGEN<sup>®</sup>

Total Neulasta<sup>®</sup>/NEUPOGEN<sup>®</sup> sales by geographic region were as follows (dollar amounts in millions):

	Three months ended September 30,			Nine months ended September 30,		
	2012	2011	Change	2012	2011	Change
Neulasta <sup>®</sup> —U.S.	\$ 824	\$ 757	9 %	\$ 2,432	\$ 2,236	9 %
Neulasta <sup>®</sup> —ROW	220	246	(11)%	666	718	(7)%
Total Neulasta <sup>®</sup>	1,044	1,003	4 %	3,098	2,954	5 %
NEUPOGEN <sup>®</sup> —U.S.	249	258	(3)%	756	708	7 %
NEUPOGEN <sup>®</sup> —ROW	62	74	(16)%	192	231	(17)%
Total NEUPOGEN <sup>®</sup>	311	332	(6)%	948	939	1 %
Total Neulasta <sup>®</sup> /NEUPOGEN <sup>®</sup>	\$ 1,355	\$ 1,335	1 %	\$ 4,046	\$ 3,893	4 %

The increases in U.S. Neulasta<sup>®</sup> sales for the three and nine months ended September 30, 2012, were driven by increases in the average net sales price and, to a lesser extent, increases in unit demand.

The decrease in ROW Neulasta<sup>®</sup> sales for the three months ended September 30, 2012, was due primarily to a decrease in unit demand from loss of share to biosimilars in Europe. The decrease for the nine months ended September 30, 2012, was due

primarily to a decrease in the average net sales price and, to a lesser extent, a decrease in unit demand from loss of share to biosimilars in Europe.

The decrease in global NEUPOGEN<sup>®</sup> sales for the three months ended September 30, 2012, was driven primarily by a decrease in unit demand from loss of share to biosimilars in Europe. Global NEUPOGEN<sup>®</sup> sales for the nine months ended September 30, 2012, increased 1%.

Our outstanding material U.S. patents for Filgrastim (NEUPOGEN<sup>®</sup>) expire in December 2013. We expect to face competition in the United States beginning in the fourth quarter of 2013 which may have a material adverse impact over time on future sales of NEUPOGEN<sup>®</sup> and, in turn, Neulasta<sup>®</sup>. See Financial condition, liquidity and capital resources for further discussion of the potential impact of patent expiration. Our outstanding material U.S. patent for pegfilgrastim (Neulasta<sup>®</sup>) expires in 2015.

Future Neulasta<sup>®</sup>/NEUPOGEN<sup>®</sup> sales will depend in part on factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2011. Certain of those factors may have a material adverse impact on future sales of Neulasta<sup>®</sup>/NEUPOGEN<sup>®</sup>.

#### ENBREL

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

	Three months ended			Nine months ended		
	September 30,		Change	September 30,		Change
	2012	2011		2012	2011	
ENBREL — U.S.	\$ 1,012	\$ 863	17%	\$ 2,881	\$ 2,578	12%
ENBREL — Canada	67	62	8%	194	178	9%
<b>Total ENBREL</b>	<b>\$ 1,079</b>	<b>\$ 925</b>	<b>17%</b>	<b>\$ 3,075</b>	<b>\$ 2,756</b>	<b>12%</b>

The increases in total ENBREL sales for the three and nine months ended September 30, 2012, were driven primarily by increases in the average net sales price and, to a lesser extent, increases in unit demand.

Future ENBREL sales will depend in part on factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2011. Certain of those factors may have a material adverse impact on future sales of ENBREL.

#### Aranesp<sup>®</sup>

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

	Three months ended			Nine months ended		
	September 30,		Change	September 30,		Change
	2012	2011		2012	2011	
Aranesp <sup>®</sup> — U.S.	\$ 178	\$ 272	(35)%	\$ 595	\$ 763	(22)%
Aranesp <sup>®</sup> — ROW	319	328	(3)%	956	1,002	(5)%
<b>Total Aranesp<sup>®</sup></b>	<b>\$ 497</b>	<b>\$ 600</b>	<b>(17)%</b>	<b>\$ 1,551</b>	<b>\$ 1,765</b>	<b>(12)%</b>

The decreases in U.S. Aranesp<sup>®</sup> sales for the three and nine months ended September 30, 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. For the three months ended September 30, 2012, the decrease to sales was also driven by a change in accounting estimates in 2011 that resulted in \$34 million of the year-over-year decline in the quarter.

The decrease in ROW Aranesp<sup>®</sup> sales for the three months ended September 30, 2012, was 3%. The decrease for the nine months ended September 30, 2012, was 5% due primarily to a decrease in the average net sales price.

Sequentially, global Aranesp<sup>®</sup> unit demand was down 3% in the quarter ended September 30, 2012, compared with the quarter ended June 30, 2012, due to a small share loss in the oncology segment in the United States.

Future Aranesp<sup>®</sup> sales will depend in part on factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2011. Certain of those factors may have a material adverse impact on future sales of Aranesp<sup>®</sup>.

#### EPOGEN<sup>®</sup>

Total EPOGEN<sup>®</sup> sales were as follows (dollar amounts in millions):

	Three months ended			Nine months ended		
	September 30,			September 30,		
	2012	2011	Change	2012	2011	Change
EPOGEN <sup>®</sup> — U.S.	\$ 491	\$ 476	3%	\$ 1,462	\$ 1,554	(6)%

The increase in EPOGEN<sup>®</sup> sales for the three months ended September 30, 2012, was driven 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 \$36 million. These increases were offset largely by a 15% 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.

The decrease in EPOGEN<sup>®</sup> sales for the nine months ended September 30, 2012, was driven by a 22% decrease in unit demand due to the impact of the 2011 changes, offset partially by reductions in customer discounts and by a year-over-year favorable change in accounting estimates of \$76 million.

Sequentially, EPOGEN<sup>®</sup> sales decreased 6% in the quarter ended September 30, 2012, compared with the quarter ended June 30, 2012, due to customer buying patterns and competition.

Future EPOGEN<sup>®</sup> sales will depend in part on factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2011, and in our Quarterly Report on Form 10-Q for the period ended March 31, 2012. Certain of those factors may have a material adverse impact on future sales of EPOGEN<sup>®</sup>.

#### Other products

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

	Three months ended			Nine months ended		
	September 30,			September 30,		
	2012	2011	Change	2012	2011	Change
Sensipar <sup>®</sup> — U.S.	\$ 172	\$ 135	27%	\$ 462	\$ 375	23%
Sensipar <sup>®</sup> (Mimpara <sup>®</sup> ) — ROW	71	71	—%	232	217	7%
Vectibix <sup>®</sup> — U.S.	30	30	—%	92	91	1%
Vectibix <sup>®</sup> — ROW	58	49	18%	176	144	22%
Nplate <sup>®</sup> — U.S.	53	43	23%	157	120	31%
Nplate <sup>®</sup> — ROW	38	34	12%	110	97	13%
XGEVA <sup>®</sup> — U.S.	171	100	71%	466	215	*
XGEVA <sup>®</sup> — ROW	30	2	*	67	2	*
Prolia <sup>®</sup> — U.S.	68	31	*	197	78	*
Prolia <sup>®</sup> — ROW	42	20	*	121	44	*
Other — ROW	46	26	77%	88	37	*
Total other products	\$ 779	\$ 541	44%	\$ 2,168	\$ 1,420	53%
Total U.S.	\$ 494	\$ 339	46%	\$ 1,374	\$ 879	56%
Total ROW	285	202	41%	794	541	47%
Total other products	\$ 779	\$ 541	44%	\$ 2,168	\$ 1,420	53%

\* Change in excess of 100%

Future sales of our other products will depend in part on factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2011. Certain of those factors may have a material adverse impact on future sales of our other products.

#### Selected operating expenses

Selected operating expenses were as follows (dollar amounts in millions):

	Three months ended			Nine months ended		
	September 30,			September 30,		
	2012	2011	Change	2012	2011	Change
Cost of sales (excludes amortization of certain acquired intangible assets)	\$ 705	\$ 605	17 %	\$ 2,066	\$ 1,771	17 %
% of product sales	16.8%	15.6%		16.8%	15.6%	
Research and development	\$ 880	\$ 761	16 %	\$ 2,442	\$ 2,316	5 %
% of product sales	20.9%	19.6%		19.9%	20.3%	
Selling, general and administrative	\$ 1,127	\$ 1,125	— %	\$ 3,431	\$ 3,278	5 %
% of product sales	26.8%	29.0%		27.9%	28.8%	
Other	\$ 110	\$ 854	(87)%	\$ 195	\$ 873	(78)%

#### *Cost of sales*

Cost of sales increased to 16.8% of product sales for the three months ended September 30, 2012, driven primarily by product mix. Excluding the impacts of the Puerto Rico excise tax, cost of sales would have been 14.7% and 13.7% of product sales for the three months ended September 30, 2012 and 2011, respectively.

Cost of sales increased to 16.8% of product sales for the nine months ended September 30, 2012, driven primarily by the Puerto Rico excise tax. Excluding the impacts of the Puerto Rico excise tax, cost of sales would have been 14.7% and 14.4% of product sales for the nine months ended September 30, 2012 and 2011, respectively.

#### *Research and development*

The increase in R&D expense for the three months ended September 30, 2012, was driven primarily by increased costs associated with supporting later-stage clinical programs of \$107 million, driven by AMG 145 and romosozumab (AMG 785), and increases in Discovery Research and Translational Sciences activities of \$25 million, offset partially by reduced expenses associated with marketed product support of \$13 million.

The increase in R&D expense for the nine months ended September 30, 2012, was driven primarily by increased costs associated with supporting later-stage clinical programs of \$223 million, including AMG 145 and romosozumab (AMG 785), offset partially by reduced expenses associated with marketed product support of \$73 million and decreases in Discovery Research and Translational Sciences activities of \$24 million.

#### *Selling, general and administrative*

SG&A expenses were flat for the three months ended September 30, 2012. Higher ENBREL profit share expenses of \$58 million were offset by favorable changes to the 2011 and estimated 2012 U.S. healthcare reform federal excise fees, which decreased SG&A by \$31 million year-over-year, and by changes in foreign currency exchange rates of \$29 million.

The increase in SG&A for the nine months ended September 30, 2012, was driven primarily by higher ENBREL profit share expenses of \$120 million as well as international expansion of \$71 million, offset partially by favorable changes to the 2011 and estimated 2012 U.S. healthcare reform federal excise fees, which decreased SG&A by \$95 million year-over-year.

Under our ENBREL collaboration agreement, we currently pay Pfizer a percentage of annual gross profits on our ENBREL sales in the United States and Canada attributable to all approved indications for ENBREL on a scale that increases as gross profits increase; however, we maintain a majority share of ENBREL profits. For the three and nine months ended September 30, 2012, expenses associated with the ENBREL profit share were \$386 million and \$1,081 million, respectively, compared with \$328 million and \$961 million for the corresponding periods of the prior year. After expiration of the agreement in the fourth quarter of 2013, we will be required to pay Pfizer 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 current ENBREL profit share.

#### *Other*

Other operating expenses for the three and nine months ended September 30, 2012, included certain charges related to our cost savings initiatives of \$36 million and \$106 million, legal proceedings charges of \$53 million and \$65 million, and other operating expenses of \$21 million and \$24 million, respectively.



Other operating expenses for the three and nine months ended September 30, 2011 included a legal settlement charge of \$780 million, certain charges related to cost savings initiatives of \$68 million and \$79 million, and other operating expenses of \$6 million and \$14 million, respectively.

*Non-operating expenses/income and provisions for income taxes*

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

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Interest expense, net	\$ 271	\$ 158	\$ 762	\$ 415
Interest and other income, net	\$ 111	\$ 87	\$ 359	\$ 364
Provisions for income taxes	\$ 156	\$ —	\$ 529	\$ 350
Effective tax rate	12.4%	—%	12.9%	11.3%

*Interest expense, net*

The increases in interest expense, net for the three and nine months ended September 30, 2012, were due primarily to a higher average debt balance.

*Interest and other income, net*

The increase in interest and other income, net for the three months ended September 30, 2012, is due primarily to higher interest income as a result of a higher average balance of cash, cash equivalents and marketable securities. The decrease in interest and other income, net for the nine months ended September 30, 2012, was due primarily to lower net realized gains on investments, offset partially by higher interest income due to a higher average balance of cash, cash equivalents and marketable securities.

*Income taxes*

Our effective tax rates for the three and nine months ended September 30, 2012, were 12.4% and 12.9%, respectively, compared with 0.0% and 11.3% for the corresponding periods of the prior year. Our effective tax rate for the three months ended September 30, 2012, increased due to the prior year impacts of the legal settlement charge and additional foreign tax credits associated with the Puerto Rico excise tax, as well as the tax impact of changes in revenue and expense mix. In addition, our effective tax rates for the three and nine months ended September 30, 2012, increased due to the exclusion of the benefit of the federal R&D tax credit, which expired as of December 31, 2011. Excluding the impact of the Puerto Rico excise tax and the legal settlement charge, our effective tax rates for the three and nine months ended September 30, 2012, would have been 17.7% and 18.3%, respectively, compared with 13.9% and 17.1% for the corresponding periods of the prior year.

See Note 3, Income taxes, to the condensed consolidated financial statements for further discussion.

**Financial condition, liquidity and capital resources**

Selected financial data was as follows (in millions):

	September 30, 2012	December 31, 2011
Cash, cash equivalents and marketable securities	\$ 25,374	\$ 20,641
Total assets	55,448	48,871
Current portion of long-term debt	2,458	84
Long-term debt	24,020	21,344
Stockholders' equity	19,902	19,029

The Company intends to continue to return capital to stockholders through share repurchases and the payment of cash dividends, reflecting our confidence in the future cash flows of our business. The amount we spend, the number of shares repurchased and the timing of such repurchases will vary based on a number of factors, including the stock price, the availability of financing on acceptable terms, the amount and timing of dividend payments and blackout periods in which we are restricted from repurchasing shares; and the manner of purchases may include private block purchases, tender offers and market transactions. Whether and when we declare dividends or repurchase stock, the size of any dividend and the amount of stock we repurchase could be affected by a number of additional factors. (See our Annual Report on Form 10-K for the year ended December 31, 2011, Item 1A. Risk

Factors—There can be no assurance that we will continue to declare cash dividends or repurchase stock.) In October 2011, we announced our intent to accelerate our stock repurchase program and that our Board of Directors had authorized an increase in our stock repurchase program to \$10 billion, reflecting our confidence in the long-term value of the Company and the attractive interest rate environment. Subsequent to the October 2011 Board of Directors authorization through December 2011, we repurchased 83.3 million shares at an aggregate cost of \$5.0 billion. During the nine months ended September 30, 2012, we repurchased 48.1 million shares of our common stock at an aggregate cost of \$3.4 billion. This brings the total shares repurchased under this approved program to 131.4 million at a total cost of \$8.4 billion at an average price of \$64.19 per share. As of September 30, 2012, \$1.6 billion remained available under this stock repurchase program. In December 2011, March 2012 and July 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 and September 7, 2012, respectively, and totaled \$844 million. On October 10, 2012, the Board of Directors declared a quarterly cash dividend of \$0.36 per share of common stock, which will be paid on December 7, 2012, to all stockholders of record as of the close of business on November 15, 2012.

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 repurchase stock; 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 syndicated credit facility 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 repurchase stock and pay dividends with U.S. funds) for the foreseeable future. During the nine months ended September 30, 2012, we issued an additional \$5.0 billion of long-term debt. We now have adequate U.S. funding to complete the \$10 billion of stock repurchases authorized under our stock repurchase program and to pay the \$2.5 billion due when our 0.375% 2013 Convertible Notes mature in the first quarter of 2013. See our Annual Report on Form 10-K for the year ended December 31, 2011, Item 1A. Risk Factors – Current 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 of 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 the trend has worsened over time as regional economic uncertainty has increased. In particular, deteriorating 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 September 30, 2012, accounts receivable in these four countries totaled \$436 million, of which \$308 million was past due, with the past due receivables primarily in Italy, Spain and Portugal. Although economic conditions in this region may continue affecting 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.

Over the next several years, many of the existing patents on our principal products will expire. As a result, we expect to face increasing competition thereafter, including from biosimilars, that may have a material adverse impact on our product sales, results of operations and liquidity. In the EU, there is already an established regulatory pathway for biosimilars and we are facing increasing competition from biosimilars. The 2010 U.S. healthcare reform legislation authorized the FDA to approve biosimilar products under a new, abbreviated pathway. (See our Annual Report on Form 10-K for the year ended December 31, 2011, Item 1. Business - Marketed Products.) In the United States after patent expiration, we expect to face greater competition, including from manufacturers with biosimilar products approved in Europe that may seek to quickly obtain U.S. approval. Upon patent expiration for small molecule products, there is typically intense competition from generics manufacturers, which generally leads to significant and rapid declines in sales of the branded product. Given that our principal products are biologics, we do not believe the impact of biosimilar competition will be as significant as with small molecule products, in part because successful competitors must have a broad range of specialized skills and capabilities unique to biologics, including significant regulatory, clinical and manufacturing expertise, and since the products are similar but not identical, the biosimilars will have to compete against products with established efficacies and safety records. We have many opportunities to grow our business, including the continued commercialization of XGEVA<sup>®</sup> and Prolia<sup>®</sup> and expansion into emerging markets and Japan, which we believe may offset the adverse financial impact of our principal products' patent expiries.

Certain of our financing arrangements contain non-financial covenants. In addition, our revolving credit agreement 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 September 30, 2012.

#### *Cash flows*

Our cash flow activities were as follows (in millions):

	<b>Nine months ended September 30,</b>	
	<b>2012</b>	<b>2011</b>
Net cash provided by operating activities	\$ 5,070	\$ 3,535
Net cash used in investing activities	(7,959)	(566)
Net cash provided by (used in) financing activities	1,766	(2,365)

#### *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 during the nine months ended September 30, 2012, increased due primarily to the timing and amount of receipts from customers and payments to vendors and taxing authorities, cash received in connection with the termination of our interest rate swap agreements of \$397 million and the impact of decreased inventory related expenditures.

#### *Investing*

Cash used in investing activities during the nine months ended September 30, 2012, was due primarily to net purchases of marketable securities of \$5.4 billion and the acquisitions of businesses, net of cash acquired of \$2.0 billion. Cash used in investing activities during the nine months ended September 30, 2011, was due primarily to cash used to acquire businesses, net of cash acquired of \$701 million, offset partially by net sales of marketable securities of \$467 million.

Capital expenditures during the nine months ended September 30, 2012 and 2011, totaled \$489 million and \$343 million, respectively. Capital expenditures during both the nine months ended September 30, 2012 and 2011, were associated primarily with manufacturing-capacity expansions in Ireland and Puerto Rico and other site developments. We currently estimate 2012 spending on capital projects and equipment to be approximately \$700 million.

#### *Financing*

Cash provided by financing activities during the nine months ended September 30, 2012, was due primarily to the net proceeds from the issuance of long-term debt of \$4.9 billion and the net proceeds from the issuance of common stock in connection with the Company's equity award programs of \$1.1 billion, offset partially by repurchases of our common stock of \$3.4 billion and the payment of dividends of \$844 million.

Cash used in financing activities during the nine months ended September 30, 2011, was due to the repurchases of our common stock of \$3.0 billion, the repayment of \$2.5 billion of long-term debt and the payment of dividends of \$255 million, offset partially by the issuance of long-term debt and commercial paper of \$3.3 billion.

See Note 9, Financing arrangements, and Note 10, Stockholders' equity, to the condensed consolidated financial statements for further discussion.

#### **Critical accounting policies**

The preparation of our condensed consolidated financial statements in conformity with 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. A summary of our critical accounting policies is presented in Part II, Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2011. There have been no material changes to our critical accounting policies during the nine months ended September 30, 2012.

#### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Information about our market risk is disclosed in Part II, Item 7A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, and is incorporated herein by reference. Except as discussed below, there have been no material changes for the nine months ended September 30, 2012, to the information provided in Part II, Item 7A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

### *Interest rate sensitive financial instruments*

During the three months ended June 30, 2012, due to historically low interest rates, we terminated all of our interest rate swap contracts which had an aggregate notional amount of \$3.6 billion, resulting in the receipt of \$397 million from the counterparties. This amount is being recognized in earnings over the remaining lives of the debt issuances that were related to these interest rate swap contracts and will not significantly impact earnings for any fiscal year.

During the three months ended September 30, 2012, we entered into cross-currency swap contracts to hedge the entire principal amount of the debt denominated in pounds sterling and euros that we issued during this period. As of September 30, 2012, we had open cross-currency swap contracts with an aggregate notional amount of \$2.7 billion that effectively convert payments on certain of our foreign currency denominated debt securities to U.S. dollars 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 September 30, 2012, would have resulted in approximately a \$420 million reduction in the fair value of our cross-currency swap contracts on this date, but would have no effect on cash flows or income in the ensuing year.

### *Foreign currency sensitive financial instruments*

As of September 30, 2012, we had outstanding pound sterling and euro 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 September 30, 2012, on the \$3.8 billion fair value, would have resulted in an increase in fair value of this debt of approximately \$750 million on this date with a corresponding reduction in income in the ensuing year, but would have no 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 pounds sterling and euros, a hypothetical 20% adverse movement in foreign currency exchange rates compared with the U.S. dollar relative to exchange rates at September 30, 2012, would have resulted in a reduction in the fair value of these contracts of approximately \$700 million on this date, but would have no effect on the related cash flows in the ensuing year. The impact on income in the ensuing year from these contracts of this hypothetical adverse movement in foreign currency exchange rates would be fully offset by the corresponding hypothetical change in the carrying amount of the related hedged debt of approximately \$590 million.

## **Item 4. CONTROLS AND PROCEDURES**

We maintain “disclosure controls and procedures,” as the 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 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 Chief Financial Officer, of the effectiveness of the design and operation of Amgen’s disclosure controls and procedures. Based on their evaluation and subject to the foregoing, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2012.

Management determined that, as of September 30, 2012, 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.

## **PART II — OTHER INFORMATION**

### **Item 1. LEGAL PROCEEDINGS**

See Note 13, Contingencies and commitments, to the condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q for the periods ended September 30, 2012, June 30, 2012, and March 31, 2012, for discussions that are limited to certain recent developments concerning our legal proceedings. These discussions should be read in conjunction with

Note 18, Contingencies and commitments, to our consolidated financial statements in Part IV of our Annual Report on Form 10-K for the year ended December 31, 2011.

## 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, 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. We have described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, the primary risks related to our business and periodically update those risks for material developments. These risks 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.

There are no material updates from the risk factors previously disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, and in Part II, Item IA, of our Quarterly Report on Form 10-Q for the period ended March 31, 2012.

## Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The amount we spend, the number of shares repurchased and the timing of such repurchases will vary based on a number of factors, including the stock price, the availability of financing on acceptable terms, the amount and timing of dividend payments and blackout periods in which we are restricted from repurchasing shares; and the manner of purchases may include private block purchases, tender offers and market transactions.

During the three months ended September 30, 2012, we had one outstanding stock repurchase program. Our repurchase activity for the three months ended September 30, 2012, was as follows:

	<b>Total number of shares purchased</b>	<b>Average price paid per share</b>	<b>Total number of shares purchased as part of publicly announced program</b>	<b>Maximum dollar value that may yet be purchased under the program<sup>(1)</sup></b>
July 1 - July 31	1,113,110	\$ 74.31	1,113,110	\$ 2,277,989,946
August 1 - August 31	4,130,400	83.30	4,130,400	1,933,928,736
September 1 - September 30	4,448,300	83.12	4,448,300	1,564,180,547
	<u>9,691,810</u>	<u>82.18</u>	<u>9,691,810</u>	

(1) On October 13, 2011, our Board of Directors increased the authorization for repurchase of our common stock to an aggregate of \$10 billion.

## Item 6. EXHIBITS

Reference is made to the Index to Exhibits included herein.

**SIGNATURES**

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

Amgen Inc.  
(Registrant)

Date: November 6, 2012

By:

/s/ Jonathan M. Peacock

Jonathan M. Peacock  
Executive Vice President  
and Chief Financial Officer

AMGEN INC.

INDEX TO EXHIBITS

<b>Exhibit No.</b>	<b>Description</b>
3.1	Restated Certificate of Incorporation of Amgen Inc. (As Restated December 7, 2005). (Filed as an exhibit to Form 10-K for the year ended December 31, 2005 on March 10, 2006 and incorporated herein by reference.)
3.2	Certificate of Amendment to the Restated Certificate of Incorporation of Amgen Inc. (As Amended May 24, 2007). (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2007 on August 9, 2007 and incorporated herein by reference.)
3.3	Certificate of Correction of Restated Certificate of Incorporation of Amgen Inc. (As Corrected May 24, 2007). (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2007 on August 9, 2007 and incorporated herein by reference.)
3.4	Certificate of Elimination of the Certificate of Designations of the Series A Junior Participating Preferred Stock (As Eliminated December 9, 2008). (Filed as an exhibit to Form 10-K for the year ended December 31, 2008 on February 27, 2009 and incorporated herein by reference.)
3.5	Certificate of Amendment of Restated Certificate of Incorporation of Amgen Inc. (As Amended May 11, 2009). (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2009 on August 10, 2009 and incorporated herein by reference.)
3.6	Certificate of Correction of Restated Certificate of Incorporation of Amgen Inc. (As Corrected May 11, 2009). (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2009 on August 10, 2009 and incorporated herein by reference.)
3.7	Certificate of Correction of Restated Certificate of Incorporation of Amgen Inc. (As Corrected May 13, 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.)
3.8	Certificate of Amendment of Restated Certificate of Incorporation of Amgen Inc. (As Amended May 23, 2012) (Filed as Appendix B to the Definitive Proxy Statement on Schedule 14A on April 12, 2012 and incorporated herein by reference.)
3.9	Amended and Restated Bylaws of Amgen Inc. (As Amended and Restated October 6, 2009). (Filed as an exhibit to Form 8-K filed on October 7, 2009 and incorporated herein by reference.)
3.10	First Amendment to the Amended and Restated Bylaws of Amgen Inc. (Filed as an exhibit to Form 8-K filed on May 24, 2012 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 filed on April 8, 1997 and incorporated herein by reference.)
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 filed 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	Form of 4.85% Senior Notes due 2014. (Filed as an exhibit to Form 8-K on November 19, 2004 and incorporated herein by reference.)

Exhibit No.	Description
4.9	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.)
4.10	Indenture, dated as of February 17, 2006 and First Supplemental Indenture, dated as of June 8, 2006 (including form of 0.375% Convertible Senior Note due 2013). (Filed as exhibit to Form 10-Q for the quarter ended June 30, 2006 on August 9, 2006 and incorporated herein by reference.)
4.11	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.)
4.12	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.)
4.13	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.)
4.14	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.)
4.15	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.)
4.16	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.)
4.17	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.)
4.18	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.)
4.19	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.)
4.20	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.)
4.21	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. 2009 Equity Incentive Plan. (Filed as Appendix A to the Definitive Proxy Statement on Schedule 14A on March 26, 2009 and incorporated herein by reference.)
10.2+*	Form of Stock Option Agreement for the Amgen Inc. 2009 Equity Incentive Plan. (As Amended on October 10, 2012.)
10.3+*	Form of Restricted Stock Unit Agreement for the Amgen Inc. 2009 Equity Incentive Plan. (As Amended on October 10, 2012.)
10.4+	Amgen Inc. 2009 Performance Award Program. (As Amended on March 14, 2012.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2012 on May 8, 2012 and incorporated herein by reference.)
10.5+	Form of Performance Unit Agreement for the Amgen Inc. 2009 Performance Award Program. (As Amended on March 14, 2012.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2012 on May 8, 2012 and incorporated herein by reference.)



<b>Exhibit No.</b>	<b>Description</b>
10.6+	Amgen Inc. 2009 Director Equity Incentive Program. (As Amended on March 15, 2012.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2012 on May 8, 2012 and incorporated herein by reference.)
10.7+	Form of Grant of Non-Qualified Stock Option Agreement and Restricted Stock Unit 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+	Amgen Supplemental 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.)
10.9+	First Amendment to the Amgen Supplemental Retirement Plan, effective April 11, 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.)
10.10+	Second Amendment to the Amgen Supplemental Retirement Plan, effective 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.)
10.11+	Third Amendment to the Amgen Supplemental Retirement Plan, executed December 16, 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.)
10.12+	Fourth Amendment to the Amgen Supplemental Retirement Plan, effective June 18, 2012. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2012 on August 8, 2012 and incorporated herein by reference.)
10.13+*	Fifth Amendment to the Amgen Supplemental Retirement Plan, effective August 27, 2012.
10.14+	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.)
10.15+	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.)
10.16+	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.)
10.17+	First Amendment to the Amgen Inc. Executive Nonqualified Retirement Plan. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2010 on August 9, 2010 and incorporated herein by reference.)
10.18+	Amgen Nonqualified Deferred Compensation 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.)
10.19+	First Amendment to the Amgen Nonqualified Deferred Compensation Plan, effective April 11, 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.)
10.20+	Second Amendment to the Amgen Nonqualified Deferred Compensation Plan, effective 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.)
10.21+	Third Amendment to the Amgen Nonqualified Deferred Compensation Plan, effective June 18, 2012. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2012 on August 8, 2012 and incorporated herein by reference.)
10.22+*	Fourth Amendment to the Amgen Nonqualified Deferred Compensation Plan, effective August 27, 2012.
10.23+	2002 Special Severance Pay Plan for Amgen Employees. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2002 on August 13, 2002 and incorporated herein by reference.)
10.24+	Agreement between Amgen Inc. and Mr. Jonathan M. Peacock, dated July 5, 2010. (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2010 on November 8, 2010 and incorporated herein by reference.)
10.25+	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.)

Exhibit No.	Description
10.26+	Consulting Agreement, effective February 1, 2011, between Amgen Inc. and Mr. George Morrow. (Filed as an exhibit to Form 8-K on October 22, 2010 and incorporated herein by reference).
10.27+	Amendment to Consulting Agreement, effective February 1, 2012, between Amgen Inc. and Mr. George Morrow. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2012 on May 8, 2012 and incorporated herein by reference.)
10.28+	Consulting Services Agreement, effective February 13, 2012, between Amgen Inc., Perlmutter Consulting, Inc. and Dr. Roger M. Perlmutter. (Filed as an exhibit to Form 8-K on March 1, 2012 and incorporated herein by reference).
10.29+	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.)
10.30+	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.)
10.31	Product License Agreement, dated September 30, 1985, and Technology 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.)
10.32	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.)
10.33	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.)
10.34	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.)
10.35	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.)
10.36	Amendment No. 13 to the Shareholders' Agreement, dated June 28, 2007 (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2007 on August 9, 2007 and incorporated herein by reference.)
10.37	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated September 30, 1985, between Kirin-Amgen, Inc. 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.)
10.38	Research, Development Technology Disclosure and License Agreement: PPO, dated January 20, 1986, by and between Kirin Brewery Co., Ltd. and Amgen Inc. (Filed as an exhibit to Amendment No. 1 to Form S-1 Registration Statement on March 11, 1986 and incorporated herein by reference.)
10.39	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.)
10.40	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.)

Exhibit No.	Description
10.41	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.)
10.42	Agreement Regarding Governance and Commercial Matters, dated December 16, 2001, by and among American Home Products Corporation, American Cyanamid Company and Amgen Inc. (with certain confidential information deleted therefrom). (Filed as an exhibit to Amendment No. 1 to Form S-4 Registration Statement on March 22, 2002 and incorporated herein by reference.)
10.43	Amended and Restated Promotion Agreement, dated as of December 16, 2001, by and among Immunex Corporation, American Home Products Corporation and Amgen Inc. (with certain confidential information deleted therefrom). (Filed as an exhibit to Amendment No. 1 to Form S-4 Registration Statement on March 22, 2002 and incorporated herein by reference.)
10.44	Description of Amendment No. 1 to Amended and Restated Promotion Agreement, effective as of July 8, 2003, among Wyeth, Amgen Inc. and Immunex Corporation (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-K for the year ended December 31, 2003 on March 11, 2004 and incorporated herein by reference.)
10.45	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.)
10.46	Amendment No. 3 to Amended and Restated Promotion Agreement, effective as of January 1, 2005, by and among Wyeth, Amgen Inc. and Immunex Corporation (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2005 on May 4, 2005 and incorporated herein by reference.)
10.47	Confirmation of OTC Convertible Note Hedge related to 2013 Notes, dated February 14, 2006, to Amgen Inc. from Merrill Lynch International related to 0.375% Convertible Senior Notes Due 2013. (Filed as an exhibit to Form 10-K for the year ended December 31, 2005 on March 10, 2006 and incorporated herein by reference.)
10.48	Confirmation of OTC Warrant Transaction, dated February 14, 2006, to Amgen Inc. from Merrill Lynch International for warrants expiring in 2013. (Filed as an exhibit to Form 10-K for the year ended December 31, 2005 on March 10, 2006 and incorporated herein by reference.)
10.49	Collaboration Agreement, dated July 11, 2007, between Amgen Inc. and Daiichi Sankyo Company (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2007 on November 9, 2007 and incorporated herein by reference.)
10.50	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 filed on December 2, 2011 and incorporated herein by reference.)
10.51	Multi-product License Agreement with Respect to Japan between Amgen Inc. and Takeda Pharmaceutical Company Limited dated February 1, 2008 (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2008 on May 12, 2008 and incorporated herein by reference.)
10.52	Supply Agreement between Amgen Inc. and Takeda Pharmaceutical Company Limited dated February 1, 2008 (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2008 on May 12, 2008 and incorporated herein by reference.)
10.53	Integrated Facilities Management Services Agreement, dated February 4, 2009, between Amgen Inc. and Jones Lang LaSalle Americas, Inc. (with certain confidential information deleted therefrom) (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 (with certain confidential information deleted therefrom), Amendment Number 2 dated May 12, 2011 (as corrected by the Letter Agreement) (with certain confidential information deleted therefrom), 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.)

<b>Exhibit No.</b>	<b>Description</b>
10.54	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.)
10.55	Collaboration Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2009 on November 6, 2009 and incorporated herein by reference.)
10.56	Expansion Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2009 on November 6, 2009 and incorporated herein by reference.)
10.57	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 (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2010 on November 8, 2010 and incorporated herein by reference.)
10.58	Sourcing and Supply Agreement, dated November 15, 2011, by and between Amgen USA Inc, a wholly owned subsidiary of Amgen Inc., and DaVita Inc. (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 on February 29, 2012 and incorporated herein by reference.)
10.59	Collaboration Agreement dated March 30, 2012 by and between Amgen Inc. and AstraZeneca Collaboration Ventures, LLC, a wholly owned subsidiary of AstraZeneca Pharmaceuticals LP (with certain confidential information deleted therefrom). (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2012 on May 8, 2012 and incorporated herein by reference.)
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.
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)

## Form of Award Notice

**[The information set forth in this Award Notice will be contained on the related pages on Merrill Lynch Benefits Website (or the website of any successor company to Merrill Lynch Bank & Trust Co., FSB). This Award Notice shall be replaced by the equivalent pages on such website. References to Award Notice in this Agreement shall then refer to the equivalent pages on such website ]**

This notice of Award (the "Award Notice") sets forth certain details relating to the grant by the Company to you of the Award identified below, pursuant to the Plan. The terms of this Award Notice are incorporated into the Agreement that accompanies this Award Notice and made of part of the Agreement. Capitalized terms used in this Award Notice that are not otherwise defined in this Award Notice have the meanings given to such terms in the Agreement.

Employee:

Employee ID:

Address:

Award Type:

Grant ID:

Plan: Amgen Inc. 2009 Equity Incentive Plan

Grant Date:

Grant Price: \$\_\_\_\_\_

Number of Shares:

Expiration Date: The [\_\_\_\_\_] (<sup>th</sup>) anniversary of the date of this Award

Vesting Date: Means the vesting date indicated in the Vesting Schedule

Vesting Schedule: Means the schedule of vesting set forth under Vesting Details

Vesting Details: Means the presentation (tabular or otherwise) of the Vesting Date and the quantity of Shares vesting.

## GRANT OF STOCK OPTION AGREEMENT

**THE SPECIFIC TERMS OF YOUR STOCK OPTION ARE FOUND IN THE PAGES RELATING TO THE GRANT OF STOCK OPTIONS FOUND ON MERRILL LYNCH BENEFITS WEBSITE (OR THE WEBSITE OF ANY SUCCESSOR COMPANY TO MERRILL LYNCH BANK & TRUST CO., FSB) (THE “AWARD NOTICE”) WHICH ACCOMPANIES THIS DOCUMENT. THE TERMS OF THE AWARD NOTICE ARE INCORPORATED INTO THIS GRANT OF STOCK OPTIONS.**

On the Grant Date, specified in the Award Notice, Amgen Inc., a Delaware corporation (the “Company”), has granted to you, the grantee named in the Award Notice, under the plan specified in the Award Notice (the “Plan”), an option (the “Option”) to purchase the number of shares of the \$.0001 par value common stock of the Company (the “Shares”) specified in the Award Notice, pursuant to the terms set forth in this Stock Option Agreement, any special terms and conditions for your country set forth in the attached Appendix A and the Award Notice (together, the “Agreement”). This Option is not intended to qualify and will not be treated as an “incentive stock option” within the meaning of Section 422 of the U.S. Internal Revenue Code of 1986, as amended (together with the regulations and other official guidance promulgated thereunder, the “Code”). Capitalized terms not defined herein shall have the meanings assigned to such terms in the Plan.

The provisions of your Option are as follows:

I. Subject to the terms and conditions of the Plan and this Agreement, on each Vesting Date the Option shall vest with respect to the number of Shares indicated on the Vesting Schedule, provided that you have remained continuously and actively employed with the Company or an Affiliate (as defined in the Plan) through each applicable Vesting Date, unless [(i) your employment has terminated due to your Voluntary Termination (as defined in Section IV(A)(5)) or (ii)]\*<sup>i</sup> you experience a Qualified Termination (as defined in Section IV(B)(4)), or as otherwise determined by the Company in the exercise of its discretion as provided in Section IV(A)(7). This Option may only be exercised for whole shares of the Common Stock, and the Company shall be under no obligation to issue any fractional Shares to you. Subject to the limitations contained herein, this Option shall be exercisable with respect to each installment on or after the applicable Vesting Date. Notwithstanding anything herein to the contrary, the Vesting Schedule may be accelerated (by notice in writing) by the Company in its sole discretion at any time during the term of this

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<sup>i</sup> Section IV(A)(5) of this Agreement is not applicable to awards identified by the Administrator as new hire, retention or promotion grants and the provisions of such section shall be reserved and references thereto identified by an asterisk (\*) shall be omitted from the agreements evidencing such grants.

Option. In addition, if not prohibited by local law, vesting may be suspended by the Company in its sole discretion during a leave of absence as provided from time to time according to Company policies and practices.

II. (1) The per share exercise price of this Option is the Grant Price as defined in the Award Notice, being not less than the Fair Market Value of the Common Stock on the date of grant of this Option.

(2) To the extent permitted by applicable statutes and regulations, payment of the exercise price per share is due in full upon exercise of all or any part of each installment which has become exercisable by you by means of (i) cash or a check, (ii) any cashless exercise procedure through the use of a brokerage arrangement approved by the Company, or (iii) any other form of legal consideration that may be acceptable to the Board or the Committee in their discretion.

(3) To the extent permitted by applicable statutes and regulations, if, at the time of exercise, the Company's Common Stock is publicly traded and quoted regularly in the Wall Street Journal, payment of the exercise price may be made by delivery of already-owned Shares of a value equal to the exercise price of the Shares for which this Option is being exercised. The already-owned Shares must have been owned by you for the period required to avoid adverse accounting treatment and owned free and clear of any liens, claims, encumbrances or security interests. Payment may also be made by a combination of cash and already-owned Common Stock.

Notwithstanding the foregoing, the Company reserves the right to restrict the methods of payment of the exercise price if necessary or advisable to comply with applicable law or regulation, as determined by the Company in its sole discretion.

III. Notwithstanding anything to the contrary contained herein, this Option may not be exercised unless the Shares issuable upon exercise of this Option are then registered under the Securities Act, or, if such Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act.

IV. (A) The term of this Option commences on the Grant Date and, unless sooner terminated as set forth below or in the Plan, terminates on the [\_\_\_\_\_] (\_\_\_th)] anniversary of the date of this Option (the "Expiration Date"). This Option shall terminate prior to the Expiration Date as follows: three (3) months after the termination of your employment with the Company or an Affiliate (as defined in the Plan) for any reason or for no reason, including if your employment is terminated by the Company or an Affiliate without Cause (as defined below), or in the event of any other termination of your employment caused directly or indirectly by the Company or an Affiliate, unless:

(1) such termination of your employment is due to your Permanent and Total Disability (as defined below), in which case the Option shall terminate on the earlier of the Expiration Date or five (5) years after termination of your employment and the vesting of the Option shall be accelerated and the Option shall be fully exercisable, subject to your execution of a general

release and waiver in a form provided by the Company, as of the day immediately preceding such termination of your employment with respect to the Option, except that if the Option was granted in the calendar year in which such termination occurs, the Option shall be accelerated to vest with respect to a number of Shares equal to the number of Shares subject to the Option multiplied by a fraction, the numerator of which is the number of complete months you remained continuously and actively employed during such calendar year, and the denominator of which is twelve (12);

(2) such termination of your employment is due to your death, in which case the Option shall terminate on the earlier of the Expiration Date or five (5) years after your death and the vesting of the Option shall be accelerated and the Option shall be fully exercisable as of the day immediately preceding your death with respect to the Option, except that if the Option was granted in the calendar year in which your death occurs the Option shall be accelerated to vest with respect to a number of shares equal to the number of shares subject to the Option multiplied by a fraction, the numerator of which is the number of complete months you remained continuously and actively employed during such calendar year, and the denominator of which is twelve (12);

(3) during any part of such three (3) month period, this Option is not exercisable solely because of the condition set forth in Section III above, in which event this Option shall not terminate until the earlier of the Expiration Date or until it shall have been exercisable for an aggregate period of three (3) months after the termination of your employment;

(4) exercise of this Option within three (3) months after termination of your employment with the Company or with an Affiliate would result in liability under Section 16(b) of the Exchange Act, in which case this Option will terminate on the earlier of: (a) the tenth (10th) day after the last date upon which exercise would result in such liability; (b) six (6) months and ten (10) days after the termination of your employment with the Company or an Affiliate; or (iii) the Expiration Date;

(5) [such termination of your employment is due to your voluntary termination (and such voluntary termination is not the result of Permanent and Total Disability (as defined below)) after you are at least sixty five (65) years of age, or after you are at least fifty-five (55) years of age and have been an employee of the Company and/or an Affiliate 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 ("Voluntary Termination")], in which case this Option shall terminate on the earlier of the Expiration Date or five (5) years after termination of your employment and the unvested portions of this Option will become exercisable pursuant to the Vesting Schedule without regard to your Voluntary Termination of your employment prior to the Vesting Date, subject to your execution of a general release and waiver in a form provided by the Company, with respect to the Option; if the Option was granted in the calendar year in which your Voluntary Termination occurs, the Option will become exercisable pursuant to the Vesting Schedule only with respect to a number of Shares equal to the number of Shares subject to the Option multiplied by a fraction, the numerator of which is the number of complete months you remained continuously and actively employed during such calendar year, and the denominator of which is twelve (12); notwithstanding the definition of Voluntary Termination set forth above, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in your



jurisdiction that would likely result in the favorable treatment upon Voluntary Termination described above being deemed unlawful and/or discriminatory, then the Committee will not apply the favorable treatment described above;][Reserved]\*<sup>ii</sup>

(6) such termination of your employment is due to a Qualified Termination, in which case, the Option shall terminate within three (3) months following the Qualified Termination and, to the extent permitted by applicable law, the vesting of the Option shall be accelerated and the Option shall be fully exercisable as of the day immediately prior to the Qualified Termination; or

(7) the Company determines, in its sole discretion at any time during the term of this Option, in writing, to otherwise extend the period of time during which this Option will vest and may be exercised after termination of your employment.

However, in any and all circumstances and except to the extent the Vesting Schedule has been accelerated by the Company in its sole discretion during the term of this Option or as a result of your Permanent and Total Disability or death as provided in Sections IV(A)(1) or IV(A)(2) above, respectively, [as a result of your Voluntary Termination as provided in Section IV(A)(5) above,]\*<sup>ii</sup> as a result of a Change of Control as provided in Section IV(A)(6) above or as otherwise determined by the Company in the exercise of its discretion as provided in Section IV(A)(7) above, this Option may be exercised following termination of your employment only as to that number of Shares as to which it was exercisable on the date of termination of your employment under the provisions of Section I of this Agreement.

(B) For purposes of this Option:

(1) “termination of your employment” shall mean the last date you are either an active employee of the Company or an Affiliate or actively engaged as a consultant or director to the Company or an Affiliate; in the event of termination of your employment (whether or not in breach of local labor laws), your right to receive options and vest under the Plan, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of “garden leave” or similar period pursuant to local law). Your right, if any, to exercise the Option after termination of employment will be measured by the date of termination of your active employment and will not be extended by any notice period mandated under local law;

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<sup>ii</sup> Section IV(A)(5) of this Agreement is not applicable to awards identified by the Administrator as new hire, retention or promotion grants and the provisions of such section shall be reserved and references thereto identified by an asterisk (\*) shall be omitted from the agreements evidencing such grants.

(2) “Cause” shall mean (i) your conviction of a felony, or (ii) your engaging in conduct that constitutes willful gross neglect or willful gross misconduct in carrying out your duties, resulting, in either case, in material economic harm to the Company, unless you believed in good faith that such conduct was in, or not contrary to, the best interests of the Company. For purposes of clause (ii) above, no act, or failure to act, on your part shall be deemed “willful” unless done, or omitted to be done, by you not in good faith;

(3) “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 your employment by (a) the U.S. Social Security Administration, (b) the comparable governmental authority applicable to an Affiliate, (c) such other body having the relevant decision-making power applicable to an Affiliate, or (d) an independent medical advisor appointed by the Company in its sole discretion, as applicable, in any such case;

(4) “Qualified Termination” shall mean

(a) if you are an employee who participates in the Change of Control Plan, your termination of employment within two (2) years following a Change of Control (i) by the Company other than for Cause, Disability (as defined below) or as a result of your death, or (ii) by you for Good Reason (as defined in the Change of Control Plan); or

(b) if you are an employee who does not participate in the Change of Control Plan or the Change of Control Plan is no longer in effect, your termination of employment within two (2) years following a Change of Control by the Company other than for Cause, Disability (as defined below) or as a result of your death;

(5) “Change of Control” shall mean the occurrence of any of the following:

(a) 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 or the combined voting power of the Company’s then outstanding voting securities entitled to vote generally in the election of directors; or

(b) 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

(c) 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; or

(d) any other event which the Incumbent Board, in its sole discretion, determines shall constitute a Change of Control;

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 (a), (b), (c) or (d) above must also constitute a "change in control event," as defined in U.S. Treasury Regulation §1.409A-3(i)(5), in order to constitute a Change of Control for purposes of payment of such Award.

(6) "Change of Control Plan" shall mean the Company's change of control and severance plan, including the Amgen Inc. Change of Control Severance Plan, as amended and restated, effective as of December 9, 2010 (and any subsequent amendments thereto), or any equivalent plan governing the provision of benefits to eligible employees upon the occurrence of a Change of Control (including resulting from a termination of employment that occurs within a specified time period following a Change of Control), as in effect immediately prior to a Change of Control; and

(7) "Disability" shall be determined in accordance with the Company's long-term disability plan as in effect immediately prior to a Change of Control.

V. (A) To the extent specified above, this Option may be exercised by delivering a notice of exercise in person, by mail, via electronic mail or facsimile or by other authorized method designated by the Company, together with the exercise price to the Company Stock Administrator, or to such other person as the Company Stock Administrator may designate, during regular business hours, together with such additional documents as the Company may then require pursuant to Section 7.2(b) of the Plan.

(B) Regardless of any action the Company or your actual employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax Obligations"), you acknowledge that the ultimate liability for all Tax Obligations is and remains your responsibility and may exceed the amount actually withheld by the Company and/or

your Employer. You further acknowledge that the Company and/or your Employer: (a) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Option grant, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for Tax Obligations or achieve any particular tax result. Furthermore, if you become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, you acknowledge that the Company and/or your Employer (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction.

(C) Prior to any relevant taxable or tax withholding event, as applicable, you shall pay or make adequate arrangements satisfactory to the Company and/or your Employer to satisfy all Tax Obligations. In this regard, you authorize the Company and/or your Employer, or their respective agents, at their discretion, to satisfy all applicable Tax Obligations by one or a combination of the following:

(1) withholding from your wages or other cash compensation paid to you by the Company and/or your Employer; or

(2) withholding from proceeds of the sale of Shares acquired upon exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization).

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.

(D) Finally, you shall pay to the Company or your Employer any amount of Tax Obligations that the Company or your Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. You agree to take any further actions and execute any additional documents as may be necessary to effectuate the provisions of this Section V. Notwithstanding anything to the contrary contained herein, the Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax Obligations.

VI. This Option is not transferable, except by will or the laws of descent and distribution, and is exercisable during your life only by you except if you have named a trust created for the benefit of you, your spouse, or members of your immediate family (a "Trust") as beneficiary of this Option, this Option may be exercised by the Trust after your death.

VII. Any notices provided for in this Option or the Plan shall be given in writing or electronically and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the address specified above or at such other address as you hereafter

designate by written notice to the Company Stock Administrator. Such notices may be given using any automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, as approved by the Company.

VIII. This Option is subject to all the provisions of the Plan and its provisions are hereby made a part of this Option, including without limitation the provisions of Articles 6 and 7 of the Plan relating to Options, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this Option and those of the Plan, the provisions of the Plan shall control.

IX. ***You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Option by and among, as applicable, your Employer, the Company, or Affiliates of the Company for the exclusive purpose of implementing, administering and managing your participation in the Plan.***

***You understand that the Company and your Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number (to the extent permitted under applicable local law) or other identification number, salary, nationality, job title, residency status, any shares of stock or directorships held in the Company, details of all equity compensation or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan (“Data”).***

***You understand that Data may be transferred to Merrill Lynch Bank & Trust Co., FSB, (or any successor thereto), or any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere including outside the European Economic Area, and that the recipient’s country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that, if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize your Employer, the Company, Affiliates of the Company, Merrill Lynch Bank & Trust Co., FSB (or any successor thereto), and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing your participation in the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to any other broker, escrow agent or other third party with whom the shares received upon exercise of this Option may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that, if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment***

*status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.*

X. The terms of this Option shall be governed by the laws of the State of Delaware without giving effect to principles of conflicts of laws. For purposes of litigating any dispute that arises hereunder, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of the State of Delaware, or the federal courts for the United States for the federal district located in the State of Delaware, and no other courts, where this Option is made and/or to be performed.

XI. Notwithstanding any provision of this Option to the contrary, if you are employed by the Company or an Affiliate in any of the countries identified in the attached Appendix A (which constitutes a part of this Agreement), are subject to the laws of any foreign jurisdiction, or relocate to one of the countries included in the attached Appendix A, the Option granted hereunder shall be subject to any special terms and conditions for your country set forth in Appendix A and the following additional terms and conditions:

- a. the terms and conditions of this Option, including Appendix A, are deemed modified to the extent necessary or advisable to comply with applicable foreign laws or facilitate the administration to the Plan;
- b. if applicable, the effectiveness of this Option is conditioned upon its compliance with any applicable foreign laws, regulations, rules or local governmental regulatory exemption and subject to receipt of any required foreign regulatory approvals; and
- c. the Company may take any other action before or after the date of this Option that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals.

XII. Notwithstanding the foregoing, the Company may not take any actions hereunder, that would violate the Securities Act, the Exchange Act, the Code, or any other securities or tax or other applicable law or regulation, or the rules of any Securities Exchange. Notwithstanding anything to the contrary contained herein, the Shares issuable upon exercise of this Option shall not be issued unless such Shares are then registered under the Securities Act, or, if such Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act.

XIII. (A) In accepting this Option, you acknowledge that:

- (1) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;
- (2) the grant of this Option is voluntary and occasional and does not create any contractual or other right to receive future awards of options, or benefits in lieu of options even if options have been awarded repeatedly in the past;
- (3) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;
- (4) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment or service relationship (if any) at any time;
- (5) your participation in the Plan is voluntary;
- (6) the grant of options and the underlying Shares are not intended to replace any pension rights or compensation;
- (7) neither the grant of options nor any provision of this Option, the Plan or the policies adopted pursuant to the Plan confer upon you any right with respect to employment or continuation of current employment and shall not be interpreted to form an employment contract or relationship with the Company or any Affiliate;
- (8) in the event that you are not an employee of the Company or any Affiliate, the Option shall not be interpreted to form an employment contract or relationship with the Company or any Affiliate;
- (9) the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- (10) if the underlying Shares do not increase in value, this Option will have no value; if you exercise this Option and obtain Shares, the value of those Shares acquired upon exercise may increase or decrease in value, even below the Grant Price per share;
- (11) in consideration of the grant of this Option, no claim or entitlement to compensation or damages arises from forfeiture of options resulting from termination of your employment by the Company or an Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and your Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, you shall be deemed irrevocably to have waived your entitlement to pursue such claim;

(12) except as otherwise provided in this Agreement or the Plan, the Option and the benefits under the Plan, if any, will not automatically transfer to another company in case of a merger, takeover or transfer of liability; and.

(13) the following provisions apply only if you are providing services outside the United States:

(i) for employment law purposes outside the United States, the Option and underlying Shares are not part of normal or expected compensation or salary for any purpose, including but not limited to for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments; and

(ii) you acknowledge and agree that neither the Company, the Employer nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Option or of any amounts due to you pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise of the Option.

(B) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

XIV. If one or more of the provisions of this Option shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Option to be construed so as to foster the intent of this Option and the Plan.

XV. If you have received this Option or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

XVI. This Option is not intended to constitute “nonqualified deferred compensation” within the meaning of Code Section 409A, but rather is intended to be exempt from the application of Code Section 409A. To the extent that this Option is nevertheless deemed to be subject to Code Section 409A for any reason, this Option shall be interpreted in accordance with Code Section 409A and U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Grant Date. Notwithstanding any provision herein to the contrary, in the event that following the Grant Date, the Committee (as defined in the Plan) determines that this Option may be or become subject to Code Section 409A, the Committee may adopt such amendments to the



Plan and/or this Option or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Plan and/or this Option from the application of Code Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to this Option, or (b) comply with the requirements of Code Section 409A; provided, however, that this paragraph shall not create an obligation on the part of the Committee to adopt any such amendment, policy or procedure or take any such other action.

XVII. By electing to accept this Option, you acknowledge receipt of this Option and hereby confirm your understanding that the terms set forth in this Option constitute, subject to the terms of the Plan, which terms shall control in the event of any conflict between the Plan and this Option, the entire agreement and understanding of the parties with respect to the matters contained herein and supersede any and all prior agreements, arrangements and understandings, both oral and written, between the parties concerning the subject matter of this Option. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

XVIII. The Company reserves the right to impose other requirements on your participation in the Plan, on this Option and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

XIX. This Option and all compensation payable with respect to it 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.

XX. You acknowledge that a waiver by the Company of breach of any provision of this Option shall not operate or be construed as a waiver of any other provision of this Option, or of any subsequent breach by you or any other grantee.

Very truly yours,

AMGEN INC.

By \_\_\_\_\_  
Duly authorized on behalf  
of the Board of Directors

## APPENDIX A

### ADDITIONAL TERMS AND CONDITIONS OF THE AMGEN INC 2009 EQUITY INCENTIVE STOCK PLAN

#### GRANT OF STOCK OPTION (BY COUNTRY)

##### *TERMS AND CONDITIONS*

This Appendix includes additional terms and conditions that govern the Option to purchase Shares under the Plan **if, under applicable law, you are a resident of, or are deemed to be a resident of one of the countries listed below. Furthermore, the additional terms and conditions that govern the Option granted hereunder may apply to you if you relocate to one of the countries listed below and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.** Certain capitalized terms used but not defined in this Appendix A shall have the meanings set forth in the Plan and/or the Agreement to which this Appendix is attached.

##### *NOTIFICATIONS*

This Appendix also includes notifications relating to exchange control and other issues of which you should be aware with respect to your participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries to which this Appendix refers as of February 2012. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the notifications herein as the only source of information relating to the consequences of your participation in the Plan because the information may be outdated when you exercise the Option, acquire Shares under the Plan, or when you subsequently sell Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation. Finally, if you are a citizen or resident of a country other than the one in which you are currently working or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you or you may be subject to the provisions of one or more jurisdictions.

##### ALL NON-U.S. JURISDICTIONS

##### *TERMS AND CONDITIONS*

**Method of Exercise.** The following provision replaces Section II(a)(3):

To the extent permitted by applicable statutes and regulations, payment of the exercise price per share is due in full in cash or check upon exercise of all or any part of this Option which has become exercisable by you. Due to legal restrictions outside the U.S., you are not permitted to pay the exercise price by delivery of already-owned Shares of a value equal to the exercise price of the Shares for which this Option is being exercised. Furthermore, payment may not be made by a combination of cash and already-owned Common Stock.

## **ALGERIA**

### ***TERMS AND CONDITIONS***

**Option Cashless Exercise Restriction.** Due to legal restrictions in Algeria, you will be required to pay the exercise price for any Shares subject to the Option granted hereunder by a cashless sell-all exercise, such that all Shares will be sold immediately upon exercise and the cash proceeds of sale, less the exercise price, any Tax Obligations and broker's fees or commissions, will be remitted to you. The Company reserves the right to provide additional methods of exercise depending on local developments.

### ***NOTIFICATIONS***

**Exchange Control Information.** Proceeds from the cashless sell-all exercise must be repatriated to Algeria.

## **AUSTRALIA**

### ***NOTIFICATIONS***

**Exchange Control Information.** Exchange control reporting is required for cash transactions exceeding AUD10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on your behalf.

**Securities Law Information.** If you acquire Shares under the Plan and offer the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. You should consult with your own legal advisor before making any such offer in Australia.

## **AUSTRIA**

### ***NOTIFICATIONS***

**Consumer Protection Information.** You may be entitled to revoke acceptance of the Option granted under the Plan on the basis of the Austrian Consumer Protection Act (the "Act") under the conditions listed below, if the Act is considered to be applicable to the Agreement and the Plan:

- (i) If you accept the Option outside the business premises of the Company, you may be entitled to revoke your acceptance of the Option, provided the revocation is made within one (1) week after such acceptance of the Option.
- (ii) The revocation must be in written form to be valid. It is sufficient if you return the Agreement to the Company or the Company's representative with language which can be understood as a refusal to conclude or honor the Agreement, provided the revocation is sent within the period discussed above.

**Exchange Control Information.** If you hold Shares acquired under the Plan outside of Austria, you must submit a report to the Austrian National Bank. An exemption applies if the value of the shares as of any given quarter does not exceed €30,000,000 or if the value of the shares in any given year as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

A separate reporting requirement applies when you sell Shares acquired under the Plan. In that case, there may be exchange control obligations if the cash proceeds are held outside of Austria. If the transaction volume of all accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, on the prescribed form (*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*).

## **BELGIUM**

### ***NOTIFICATIONS***

**Taxation of the Option.** Your tax consequences will vary depending on when you accept the Option. If you accept the Option in writing within 60 days of the offer date, you will be subject to taxation on the offer date. If you accept the Option more than 60 days after the offer date, you will be subject to taxation at exercise. Please refer to the additional materials that will be delivered to you for a more detailed description of the tax consequences of accepting the Option. You should consult your personal tax advisor prior to accepting the Option.

**Tax Reporting Information.** You are required to report any taxable income attributable to the Option granted hereunder on your annual tax return. You are also required to report any security and bank accounts opened and maintained outside Belgium on your annual tax return.

## **BRAZIL**

### ***TERMS AND CONDITIONS***

**Compliance with Law.** By accepting the Option, you acknowledge that you agree to comply with applicable Brazilian laws and pay any and all applicable taxes associated with the exercise of the Option and the sale of Shares acquired under the Plan.

### ***NOTIFICATIONS***

**Exchange Control Notification.** If you are resident or domiciled in Brazil, you will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights equals or exceeds US\$100,000. Assets and rights that must be reported include the Shares.

### **BULGARIA**

#### ***NOTIFICATIONS***

**Exchange Control Notification.** If you exercise the Option by means of cash or a check, in order to remit funds out of Bulgaria, you will need to declare the purpose of the remittance to the local bank that is transferring the funds abroad. If the amount that you wish to transfer exceeds BGN25,000, you will need to complete a standard form statistical declaration and provide it to the bank involved in the money transfer. You should check with your local bank on requirements for information or documents that may need to be provided. If you exercise the Option by means of a cashless exercise method, no declaration to the local bank will be required.

### **CANADA**

#### ***TERMS AND CONDITIONS***

**Form of Payment.** Due to legal restrictions in Canada, you are prohibited from surrendering Shares that you already own to pay the exercise price or any Tax Obligations in connection with the Option.

**Termination of Employment.** Section IV(B)(1) of the Agreement is amended to read as follows:

(1) “termination of your employment” shall mean the last date you are either an active employee of the Company or an Affiliate or actively engaged as a consultant or director to the Company or an Affiliate; in the event of involuntary termination of your employment (whether or not in breach of local labor laws), your right to receive the Option and vest under the Plan, if any, will terminate effective as of the date that is the earlier of: (1) the date you receive notice of termination of employment from the Company or your Employer, or (2) the date you are no longer actively employed by the Company or your Employer regardless of any notice period or period of pay in lieu of such notice required under local law (including, but not limited to statutory law, regulatory law and/or common law). Your right, if any, to acquire Shares pursuant to the Option after termination of employment will be measured by the date of termination of your active employment and will not be extended by any notice period mandated under local law.

**The following provisions will apply to you if you are a resident of Quebec:**

**Language Consent.** The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention (“Agreement”), ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.*

**Data Privacy Notice and Consent.** This provision supplements Section IX of the Agreement:

You hereby authorize the Company and the Company’s representative to discuss with and obtain all relevant information from all personnel (professional or not) involved in the administration and operation of the Plan. You further authorize the Company and your Employer to disclose and discuss your participation in the Plan with their advisors. You also authorize the Company and your Employer to record such information and keep it in your employee file.

**NOTIFICATIONS**

**Securities Law Information.** You are permitted to sell Shares acquired through the Plan through the designated broker appointed under the Plan, if any, provided that the resale of such Shares takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.*, the NASDAQ Global Select Market).

**CZECH REPUBLIC**

**NOTIFICATIONS**

**Exchange Control Information.** Proceeds from the sale of Shares may be held in a cash account abroad and you are no longer required to report the opening and maintenance of a foreign account to the Czech National Bank (the “CNB”), unless the CNB notifies you specifically that such reporting is required. Upon request of the CNB, you may need to file a notification within 15 days of the end of the calendar quarter in which you acquire Shares.

**DENMARK**

**NOTIFICATIONS**

**Exchange Control Information.** If you establish an account holding Shares or an account holding cash outside Denmark, you must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (These obligations are separate from and in addition to the obligations described below.)

**Securities/Tax Reporting Information.** If you hold Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, you are required to inform the Danish Tax Administration about the account. For this purpose, you must sign and file a Form V (Erklaering V) with the Danish Tax Administration. In the event that the applicable broker or bank with which the account is held does not also sign the Form V, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account and any Shares acquired under the Plan and held in such account to the Danish Tax Administration as part of your annual income tax return. By signing the Form V, you authorize the Danish Tax Administration to examine the account.

In addition, if you open a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, you are also required to inform the Danish Tax Administration about this account. To do so, you must file a Form K (Erklaering K) with the Danish Tax Administration. The Form K must be signed both by you and by the applicable broker or bank where the account is held, unless an exemption from the broker/bank signature requirement is obtained from the Danish Tax Administration (which exemption may be sought on the Form K itself). By signing the Form K, you (and the broker/bank to the extent the exemption is not obtained) undertake an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, you authorize the Danish Tax Administration to examine the account.

If you exercise the Option by means of the cashless method of exercise, you are not required to file a Form V because you will not hold any Shares. However, if you open a deposit account with a foreign broker or bank to hold the cash proceeds, you are required to file a Form K as described above.

## **EGYPT**

### ***NOTIFICATIONS***

**Exchange Control Information.** If you transfer funds into or out of Egypt in connection with the exercise of the Option, you are required to transfer the funds through a registered bank in Egypt.

## **FINLAND**

There are no country-specific provisions.

## **GERMANY**

### ***NOTIFICATIONS***

**Exchange Control Information.** Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If you make or receive a payment in excess of this amount, you are responsible for obtaining the appropriate form from a German federal bank and complying with applicable reporting requirements.

## **GREECE**

### **NOTIFICATIONS**

**Exchange Control Information.** If you exercise your Option through a cash exercise, withdraw funds from a bank in Greece and remit those funds out of Greece, you may be required to submit a written application to the bank. The application will likely need to contain the following information: (i) amount and currency to be remitted; (ii) account to be debited; (iii) name and contact information of the beneficiary (the person or corporation to whom the funds are to be remitted); (iv) bank of the beneficiary with address and code number; (v) account number of the beneficiary; (vi) details of the payment such as the purpose of the transaction (e.g., exercise of Option); and (vii) expenses of the transaction.

If you exercise your Option by way of a cashless method of exercise as described in Section II(2)(ii) of the Agreement, this application will not be required because no funds will be remitted out of Greece.

## **HONG KONG**

### **TERMS AND CONDITIONS**

**SECURITIES WARNING:** *The Option and any Shares issued in respect of the Option do not constitute a public offering of securities under Hong Kong law and are available only to members of the Board, Employees and Consultants. The Agreement, including this Appendix, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong, nor have the documents been reviewed by any regulatory authority in Hong Kong. The Option and any documentation related thereto are intended solely for the personal use of each member of the Board, Employee and/or Consultant and may not be distributed to any other person. If you are in doubt about any of the contents of the Agreement, including this Appendix, or the Plan, you should obtain independent professional advice.*

**Sale of Shares.** In the event that Shares are issued in respect of Options within six (6) months of the Grant Date, you agree that you will not dispose of such Shares prior to the six (6)-month anniversary of the Grant Date.

## **HUNGARY**

There are no country-specific provisions.

## **INDIA**

### **TERMS AND CONDITIONS**



**Option Exercise Restriction.** Due to legal restrictions in India, you will not be permitted to pay the exercise price for Shares subject to the Option granted hereunder by a cashless “sell-to-cover” procedure, under which method a number of Shares with a value sufficient to cover the exercise price, brokerage fees and any applicable Tax Obligations would be sold upon exercise and you would receive only the remaining Shares subject to the exercised Option. The Company reserves the right to permit this procedure for payment of the exercise price in the future, depending on the development of local law.

## ***NOTIFICATIONS***

**Exchange Control Notification.** If you remit funds out of India to purchase Shares at exercise of the Option granted hereunder, you are responsible for complying with applicable exchange control regulations. In particular, it will be your obligation to determine whether approval from the Reserve Bank of India is required prior to exercise or whether you have exhausted the investment limit of US\$200,000 for the relevant fiscal year.

You understand that you must repatriate any cash dividends paid on Shares acquired under the Plan and any proceeds from the sale of Shares acquired under the Plan to India within 90 days of receipt. You will receive a foreign inward remittance certificate (“FIRC”) from the bank where you deposit the foreign currency, and you must maintain the FIRC as proof of repatriation of funds in the event that the Reserve Bank of India or the Employer requests proof of repatriation. It is your responsibility to comply with these requirements.

## **IRELAND**

### ***TERMS AND CONDITIONS***

**Nature of Agreement.** This provision supplements Section XII of the Agreement:

In accepting the Option granted hereunder, you acknowledge your understanding and agreement that the benefits received under the Plan will not be taken into account for any redundancy or unfair dismissal claim.

## ***NOTIFICATIONS***

**Director Notification Requirements.** If you are a director, shadow director or secretary of an Irish Affiliate, you must notify the Irish Affiliate in writing within five (5) business days of receiving or disposing of an interest in the Company (*e.g.*, an Option or Shares) in the Company, or within five (5) business days of becoming aware of the event giving rise to the notification requirement, or within five (5) business days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of a spouse or minor children (whose interests, if any, will be attributed to the director, shadow director or secretary).

## **ITALY**

## TERMS AND CONDITIONS

**Option Cashless Exercise Restriction.** Due to legal restrictions in Italy, you will be required to pay the exercise price for any Shares subject to the Option granted hereunder by a cashless sell-all exercise, such that all Shares will be sold immediately upon exercise and the cash proceeds of sale, less the exercise price, any Tax Obligations and broker's fees or commissions, will be remitted to you. The Company reserves the right to provide additional methods of exercise depending on local developments.

**Data Privacy Notice.** The following provision replaces Section IX of the Agreement:

*You understand that your Employer, the Company and any Affiliate may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance (to the extent permitted under Italian law) or other identification number, salary, nationality, job title, any shares or directorships held in the Company or any Affiliate, details of all Awards granted, or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, managing and administering the Plan ("Data").*

*You also understand that providing the Company with Data is necessary for the performance of the Plan and that your refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. The Controller of personal data processing is Amgen Inc., with registered offices at One Amgen Center Drive, Thousand Oaks, California 91320, U.S.A., and, pursuant to Legislative Decree no. 196/2003, its Representative in Italy for privacy purposes is Amgen Dompe S.p.A., with registered offices at Via Tazzoli, 6 – 20154 Milan, Italy.*

*You understand that Data will not be publicized, but it may be transferred to banks, other financial institutions, or brokers involved in the management and administration of the Plan. You understand that Data may also be transferred to the independent registered public accounting firm engaged by the Company. You further understand that the Company and/or any Affiliate will transfer Data among themselves as necessary for the purpose of implementing, administering and managing your participation in the Plan, and that the Company and/or any Affiliate may each further transfer Data to third parties assisting the Company in the implementation, administration, and management of the Plan, including any requisite transfer of Data to a broker or other third party with whom you may elect to deposit any Shares acquired at vesting of the Option. Such recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan. You understand that these recipients may be located in or outside the European Economic Area, such as in the United States or elsewhere. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Data as soon as it has completed all the necessary legal obligations connected with the management and administration of the Plan.*

*You understand that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions, as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.*

*The processing activity, including communication, the transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require your consent thereto, as the processing is necessary to performance of contractual obligations related to implementation, administration, and management of the Plan. You understand that, pursuant to Section 7 of the Legislative Decree no. 196/2003, you have the right to, including but not limited to, access, delete, update, correct, or terminate, for legitimate reason, the Data processing.*

*Furthermore, you are aware that Data will not be used for direct-marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting your local human resources representative.*

**Acknowledgement of Nature of Agreement.** By accepting the Option granted hereunder, you acknowledge that (1) you have received a copy of the Plan, the Agreement and this Appendix; (2) you have reviewed the applicable documents in their entirety and fully understand the contents thereof; and (3) you accept all provisions of the Plan, the Agreement and this Appendix.

For the Option granted, you further acknowledge that you have read and specifically and explicitly approve, without limitation, the following Sections of the Option Agreement: Section I, Section IV, Section V, Section IX (as replaced by the above consent), Section X, Section XIII, Section XIV, and Section XVIII.

## **JAPAN**

### **NOTIFICATIONS**

**Exchange Control Information.** If you acquire Shares valued at more than ¥100,000,000 in a single transaction, you must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the purchase of the Shares.

In addition, if you pay more than ¥30,000,000 in a single transaction for the purchase of Shares when you exercise the Option, you must file a Payment Report with the Ministry of Finance through the Bank of Japan by the 20th day of the month following the month in which the payment was made. The precise reporting requirements vary depending on whether or not the relevant payment is made through a bank in Japan.

A Payment Report is required independently from a Securities Acquisition Report. Therefore, if the total amount that you pay upon a one-time transaction for exercising the Option and purchasing

Shares exceeds ¥100,000,000, then you must file both a Payment Report and a Securities Acquisition Report.

## **LITHUANIA**

There are no country-specific provisions.

## **MEXICO**

### ***TERMS AND CONDITIONS***

**Acknowledgement of the Agreement.** In accepting the Option granted hereunder, you acknowledge that you have received a copy of the Plan, have reviewed the Plan and the Option Agreement, including this Appendix, in their entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix. You further acknowledge that you have read and specifically and expressly approve the terms and conditions of Section XIII of the Agreement, in which the following is clearly described and established:

- (1) Your participation in the Plan does not constitute an acquired right.
- (2) The Plan and your participation in the Plan are offered by Amgen Inc. on a wholly discretionary basis.
- (3) Your participation in the Plan is voluntary.
- (4) Amgen Inc. and its Affiliates are not responsible for any decrease in the value of the Option granted and/or Shares issued under the Plan.

**Labor Law Acknowledgement and Policy Statement.** In accepting the Option granted hereunder, you expressly recognize that Amgen Inc., with registered offices at One Amgen Center Drive, Thousand Oaks, California 91320, U.S.A., is solely responsible for the administration of the Plan and that your participation in the Plan and acquisition of Shares do not constitute an employment relationship between you and Amgen Inc. since you are participating in the Plan on a wholly commercial basis and your sole employer is Amgen Latin America Services, S.A. de C.V. (“Amgen-Mexico”). Based on the foregoing, you expressly recognize that the Plan and the benefits that you may derive from participation in the Plan do not establish any rights between you and your employer, Amgen-Mexico, and do not form part of the employment conditions and/or benefits provided by Amgen-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

You further understand that your participation in the Plan is as a result of a unilateral and discretionary decision of Amgen Inc.; therefore, Amgen Inc. reserves the absolute right to amend and/or discontinue your participation in the Plan at any time without any liability to you.

Finally, you hereby declare that you do not reserve to yourself any action or right to bring any claim against Amgen Inc. for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and you therefore grant a full and broad release to Amgen Inc., its Affiliates, shareholders, officers, agents or legal representatives with respect to any claim that may arise.

### **Spanish Translation**

**Reconocimiento del Otorgamiento.** Al aceptar cualquier Opción bajo el presente documento, usted reconoce que ha recibido una copia del Plan, que ha revisado el mismo en su totalidad, así como también el Acuerdo de Opción, incluyendo este Apéndice, además que comprende y está de acuerdo con todas las disposiciones tanto del Plan y del Opción, incluyendo este Apéndice. Asimismo, usted reconoce que ha leído y manifiesta específicamente y expresamente la conformidad con los términos y condiciones establecidos en la Sección XIII del Acuerdo de Opción, en los que se establece y describe claramente que:

- (1) Su participación en el Plan de ninguna manera constituye un derecho adquirido.
- (2) El Plan y su participación en el mismo son ofrecidos por Amgen Inc. de forma completamente discrecional.
- (3) Su participación en el Plan es voluntaria.
- (4) Amgen Inc. y sus Afiliados no son responsables de ninguna disminución en el valor de la opción otorgada y/o de las Acciones Comunes emitidas mediante el Plan.

**Reconocimiento de la Ley Laboral y Declaración de Política.** Al aceptar cualquier Opción bajo el presente, usted reconoce expresamente que Amgen Inc., con oficinas registradas localizadas en One Amgen Center Drive, Thousand Oaks, California 91320, U.S.A., es la única responsable de la administración del Plan y que su participación en el mismo y la adquisición de Acciones Comunes no constituyen de ninguna manera una relación laboral entre usted y Amgen Inc., debido a que su participación en el Plan es únicamente una relación comercial y que su único empleador es Amgen Latin America Services, S.A. de C.V. (“Amgen-México”). Derivado de lo anterior, usted reconoce expresamente que el Plan y los beneficios a su favor que pudieran derivar de la participación en el mismo, no establecen ningún derecho entre usted y su empleador, Amgen – México, y no forman parte de las condiciones laborales y/o los beneficios otorgados por Amgen – México, y cualquier modificación del Plan o la terminación del mismo no constituirá un cambio o desmejora de los términos y condiciones de su trabajo.

Asimismo, usted entiende que su participación en el Plan es resultado de la decisión unilateral y discrecional de Amgen Inc., por lo tanto, Amgen Inc. se reserva el derecho absoluto de modificar y/o discontinuar su participación en el Plan en cualquier momento y sin ninguna responsabilidad para usted.

Finalmente, usted manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de Amgen Inc., por cualquier compensación o daños y perjuicios, en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia usted exime amplia y completamente a Amgen Inc. de toda responsabilidad, como así también a sus Afiliadas, accionistas, directores, agentes o representantes legales con respecto a cualquier demanda que pudiera surgir.

## **NETHERLANDS**

### **NOTIFICATIONS**

**Securities Law Information.** You should be aware of Dutch insider-trading rules, which may impact the exercise of the Option granted hereunder and the sale of Shares acquired under the Plan. In particular, you may be prohibited from effectuating certain transactions if you have insider information regarding the Company.

By accepting the Option granted hereunder and participating in the Plan, you acknowledge having read and understood this Securities Law Notification and further acknowledge that it is your responsibility to comply with the following Dutch insider trading rules:

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “inside information” related to the issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public, and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any employee of any Affiliate in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain employees of the Company working at an Affiliate in the Netherlands (including persons eligible to participate in the Plan) may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when in possession of such inside information.

## **NEW ZEALAND**

### **NOTIFICATIONS**

**Securities Law Information.** You are being offered an opportunity to participate in the Plan. In compliance with New Zealand securities law, you are hereby notified that the following documents are available for review at the web addresses listed below:

- The Company’s most recent Annual Report (Form 10-K), Quarterly Report (Form 10-Q) and published financial statements (in Form 10-K or Form 10-Q): [www.amgen.com](http://www.amgen.com)
- The Plan, the Plan Prospectus and the Agreement: [www.benefits.ml.com](http://www.benefits.ml.com)

## **NORWAY**

There are no country-specific provisions.

## **POLAND**

### **NOTIFICATIONS**

**Exchange Control Information.** Polish residents holding foreign securities (including Shares) and maintaining accounts abroad must report information to the National Bank of Poland. Specifically, if the aggregate value of shares and cash held in such foreign accounts exceeds PLN 7 million, Polish residents must file reports on the transactions and balances of the accounts on a quarterly basis. If required, the reports are due on a quarterly basis by the 20th day following the end of each quarter and must be filed on special forms available on the website of the National Bank of Poland. In addition, Polish residents are required to transfer funds through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently €15,000). You must store all documents connected with any foreign exchange transactions you engage in for a period of five years.

## **PORTUGAL**

### **TERMS AND CONDITIONS**

**Consent to Receive Information in English.** You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and Agreement.

*Conhecimento da Língua. Por meio do presente, eu declaro expressamente que tem pleno conhecimento da língua inglesa e que li, compreendi e livremente aceitei e concordei com os termos e condições estabelecidas no Plano e no Acordo.*

### **NOTIFICATIONS**

**Exchange Control Information.** If you do not hold the Shares acquired under the Plan with a Portuguese financial intermediary, you will need to file a report with the Portuguese Central Bank. If the Shares are held by a Portuguese financial intermediary, it will file the report for you.

## **PUERTO RICO**

There are no country-specific provisions.

## **ROMANIA**

### ***NOTIFICATIONS***

**Exchange Control Information.** If you deposit proceeds from the sale of Shares in a bank account in Romania, you may be required to provide the Romanian bank assisting with the transaction with appropriate documentation explaining the source of the income. You should consult with a legal advisor to determine whether you will be required to submit such documentation to the Romanian bank.

## **RUSSIA**

### ***TERMS AND CONDITIONS***

**Option Cashless Exercise Restriction.** Due to legal restrictions in Russia, you will be required to pay the exercise price for any Shares subject to the Option granted hereunder by a cashless sell-all exercise, such that all Shares will be sold immediately upon exercise and the cash proceeds of sale, less the exercise price, any Tax Obligations and broker's fees or commissions, will be remitted to you. The Company reserves the right to provide additional methods of exercise depending on local developments.

**Securities Law Requirements.** The Option granted hereunder, the Agreement, including this Appendix, the Plan and all other materials you may receive regarding your participation in the Plan or the Option granted hereunder do not constitute advertising or an offering of securities in Russia. The issuance of Shares under the Plan has not and will not be registered in Russia; therefore, such Shares may not be offered or placed in public circulation in Russia.

In no event will Shares acquired under the Plan be delivered to you in Russia; all Shares will be maintained on your behalf in the United States.

You are not permitted to sell any Shares acquired under the Plan directly to a Russian legal entity or resident.

**Labor Law Information.** You acknowledge that if you continue to hold Shares acquired under the Plan after an involuntary termination of your employment, you will not be eligible to receive unemployment benefits in Russia.

### ***NOTIFICATIONS***

**Exchange Control Information.** Under current exchange control regulations, with a reasonably short time after sales of the Shares acquired under the Plan or receipt of dividends on such Shares, you must repatriate the cash proceeds from the sale of such Shares to Russia. Such proceeds must be initially credited to you through a foreign currency account opened in your name at an authorized



bank in Russia. After the funds are initially received in Russia, they may be further remitted to a foreign bank subject to the following limitations: (i) the foreign account may be opened only for individuals; (ii) the foreign account may not be used for business activities; (iii) the Russian tax authorities must be given notice about the opening/closing of each foreign account within one month of the account opening/closing; and (iv) the Russian tax authorities must be given notice of the account balances of such foreign accounts as of the beginning of each calendar year. You are encouraged to contact your personal advisor before remitting your proceeds from participation in the Plan to Russia as exchange control requirements may change.

## **SAUDI ARABIA**

### ***NOTIFICATIONS***

**Securities Law Information.** This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. You are hereby advised to conduct your own due diligence on the accuracy of the information relating to the Shares. If you do not understand the contents of this document, you should consult an authorized financial adviser.

## **SOUTH AFRICA**

### ***TERMS AND CONDITIONS***

**Responsibility for Taxes.** The following provision supplements Section V of the Agreement:

By accepting the Option, you agree that, immediately upon exercise of the Option, you will notify your Employer of the amount of any gain realized. If you fail to advise your Employer of the gain realized upon exercise, you may be liable for a fine. You will be solely responsible for paying any difference between your actual tax liability and the amount withheld by your Employer.

### ***NOTIFICATIONS***

**Tax Clearance Certificate for Cash Exercises.** If you exercise the Option using a cash exercise method, you must obtain and provide to your Employer, or any third party designated by your Employer or the Company, a Tax Clearance Certificate (with respect to Foreign Investments) bearing the official stamp and signature of the Exchange Control Department of the South African Revenue Service (“SARS”). You must renew this Tax Clearance Certificate every twelve months or such other period as may be required by the SARS. If you exercise by a cashless exercise method whereby no funds are remitted out of South Africa, no Tax Clearance Certificate is required.

**Exchange Control Information.** You should consult your personal advisor to ensure compliance with applicable exchange control regulations in South Africa; as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws in South Africa.

### **SLOVAK REPUBLIC**

There are no country-specific provisions.

### **SLOVENIA**

There are no country-specific provisions.

### **SPAIN**

## ***TERMS AND CONDITIONS***

**Labor Law Acknowledgement.** The following provision supplements Section XIII of the Agreement:

By accepting the Option granted hereunder, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan.

You understand that the Company has unilaterally, gratuitously and in its sole discretion decided to grant the Option under the Plan to individuals who may be members of the Board, Employees or Consultants of the Company or its Affiliates throughout the world. The decision is a limited decision, which is entered into upon the express assumption and condition that the Option granted will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis, other than as expressly set forth in the Agreement, including this Appendix. Consequently, you understand that the Option granted hereunder is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, you understand and freely accept that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant of the Option since the future value of the Option and the underlying Shares is unknown and unpredictable. In addition, you understand that the Option granted hereunder would not be made but for the assumptions and conditions referred to above; thus, you understand, acknowledge and freely accept that, should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of an Option or right to an Option shall be null and void.

Further, the vesting of the Option is expressly conditioned your continued and active rendering of service, such that if your employment terminates for any reason whatsoever, the Option may cease vesting immediately, in whole or in part, effective on the date of your termination of employment

(unless otherwise specifically provided in Section IV of the Agreement). This will be the case, for example, even if (1) you are considered to be unfairly dismissed without good cause; (2) you are dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) you terminate service due to a change of work location, duties or any other employment or contractual condition; (4) you terminate service due to a unilateral breach of contract by the Company or an Affiliate; or (5) your employment terminates for any other reason whatsoever. Consequently, upon termination of your employment for any of the above reasons, you may automatically lose any rights to Options that were not vested on the date of your termination of employment, as described in the Plan and the Agreement.

You acknowledge that you have read and specifically accepts the conditions referred to in Section IV of the Agreement.

## ***NOTIFICATIONS***

**Securities Law Information.** The Option and the Shares described in the Agreement and this Appendix do not qualify under Spanish regulations as securities. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory. The Agreement (including this Appendix) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

**Exchange Control Information.** When receiving foreign currency payments exceeding €50,000 derived from the ownership of Shares (*i.e.*, dividends or sale proceeds), you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will need to provide the institution with the following information: (i) your name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment and the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

If you acquire Shares under the Plan, you must declare the acquisition to the *Dirección General de Comercio e Inversiones* ("DGCI"). If you acquire the Shares through the use of a Spanish financial institution, that institution will automatically make the declaration by filing a D-6 form with the DGCI for you; otherwise you will be required to make the declaration by filing a D-6 form. You must also declare ownership of the shares with the DGCI each January while the Shares are owned.

## **SWEDEN**

There are no country-specific provisions.

## **SWITZERLAND**

## ***NOTIFICATIONS***

**Securities Law Notification.** The Option offered hereunder is considered a private offering in Switzerland and is, therefore, not subject to registration in Switzerland.

## **TURKEY**

### ***NOTIFICATIONS***

**Securities Law Information.** Under Turkish law, you are not permitted to sell Shares acquired under the Plan in Turkey. You must sell the Shares acquired under the Plan outside of Turkey. The Shares are currently traded on the NASDAQ in the U.S. under the ticker symbol “AMGN” and Shares may be sold on this exchange, which is located outside of Turkey.

**Exchange Control Information.** Turkish exchange control regulations require Turkish residents to buy Shares through financial intermediary institutions that are approved under the Capital Markets Law (*i.e.*, banks licensed in Turkey). Therefore, if you use cash to pay the exercise price for the Option, the funds must be remitted through a bank or other financial institution licensed in Turkey. A wire transfer of funds by a Turkish bank will satisfy this requirement. If you exercise the Option by way of a cashless method of exercise, this requirement does not apply because no funds will be remitted out of Turkey.

## **UNITED ARAB EMIRATES**

### ***NOTIFICATIONS***

**Securities Law Notice.** Options under the Plan are granted only to select Board members, Employees and Consultants of the Company and its Affiliates and are for the purpose of providing equity incentives. The Plan and the Agreement are intended for distribution only to such Board members, Employees and Consultants and must not be delivered to, or relied on by, any other person. You should conduct your own due diligence on the Options offered pursuant to this Agreement. If you do not understand the contents of the Plan and/or the Agreement, you should consult an authorized financial adviser. The Emirates Securities and Commodities Authority and the Dubai Financial Services Authority have no responsibility for reviewing or verifying any documents in connection with the Plan. Further, the Ministry of the Economy and the Dubai Department of Economic Development have not approved the Plan or the Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.

## **UNITED KINGDOM**

### ***TERMS AND CONDITIONS***

**Tax Withholding.** This provision supplements Section V of the Agreement:

You agree that if you do not pay or your Employer, or the Company does not withhold from you, the full amount of Tax Obligations that you owe upon exercise of the Option, or the release or assignment of the Option for consideration, or the receipt of any other benefit in connection with the Option (the “Taxable Event”) within 90 days after the Taxable Event, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld and/or paid shall constitute a loan owed by you to your Employer, effective 90 days after the Taxable Event. You agree that the loan will bear interest at the official rate of HM Revenue and Customs (“HMRC”) and will be immediately due and repayable by you, and the Company and/or your Employer may recover it at any time thereafter (subject to Section V of the Agreement) by withholding the funds from salary, bonus or any other funds due to you by your Employer, by withholding in Shares issued upon exercise of the Option or from the cash proceeds from the sale of Shares or by demanding cash or a check from you. You also authorize the Company to delay the issuance of any Shares to you unless and until the loan is repaid in full.

Notwithstanding the foregoing, if you are an officer or executive director within the meaning of Section 13(k) of the Exchange Act, as amended from time to time, the terms of the immediately foregoing provision will not apply. In the event that you are an officer or executive director and Tax Obligations are not collected from you within 90 days of the Taxable Event, the amount of any uncollected Tax Obligations may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You acknowledge that you are responsible for reporting and paying these potential additional taxes under the self-assessment regime.

**Joint Election.** As a condition of the Option granted hereunder, you agree to accept any liability for secondary Class 1 National Insurance Contributions (the “Employer NICs”), which may be payable by the Company or your Employer with respect to the exercise of the Option and issuance of Shares subject to the Option, the assignment or release of the Option for consideration, or the receipt of any other benefit in connection with the Option.

Without limitation to the foregoing, you agree to make an election (the “Election”), in the form specified and/or approved for such election by HMRC, that the liability for your Employer NICs payments on any such gains shall be transferred to you to the fullest extent permitted by law. You further agree to execute such other elections as may be required between you and any successor to the Company and/or your Employer. You hereby authorize the Company and your Employer to withhold such Employer NICs by any of the means set forth in Section V of the Agreement.

Failure by you to enter into an Election, withdrawal of approval of the Election by HMRC or a joint revocation of the Election by you and the Company or your Employer, as applicable, shall be grounds for the forfeiture and cancellation of the Option, without any liability to the Company or your Employer.

## **UNITED STATES**

### **TERMS AND CONDITIONS**

**Nature of Grant.** The following provision replaces Section IV(B)(1) of the Agreement:

(1) “termination of your employment” shall mean the last date you are either an active employee of the Company or an Affiliate or actively engaged as a consultant or director of the Company or an Affiliate; in the event of termination of your employment (whether or not in breach of local labor laws), your right to receive options and vest under the Plan, if any, will terminate effective as of the date that you are no longer actively employed; provided, however, that such right will be extended by any notice period mandated by law (e.g. the Worker Adjustment and Retraining Notification Act (“WARN Act”) notice period or similar periods pursuant to local law) and any paid administrative leave (as applicable), unless the Company shall provide you with written notice otherwise before the commencement of such notice period or leave. Your right, if any, to exercise the options after termination of employment will be measured by the date of termination of your active employment; provided, however, that such right will be extended by any notice period mandated by law (e.g. the Worker Adjustment and Retraining Notification Act (“WARN Act”) notice period or similar periods pursuant to local law) and any paid administrative leave, unless the Company shall provide you with written notice otherwise before the commencement of such notice period or leave.

## Form of Award Notice

**[The information set forth in this Award Notice will be contained on the related pages on Merrill Lynch Benefits Website (or the website of any successor company to Merrill Lynch Bank & Trust Co., FSB). This Award Notice shall be replaced by the equivalent pages on such website. References to Award Notice in this Agreement shall then refer to the equivalent pages on such website ]**

This notice of Award (the "Award Notice") sets forth certain details relating to the grant by the Company to you of the Award identified below, pursuant to the Plan. The terms of this Award Notice are incorporated into the Agreement that accompanies this Award Notice and made of part of the Agreement. Capitalized terms used in this Award Notice that are not otherwise defined in this Award Notice have the meanings given to such terms in the Agreement.

Employee:

Employee ID:

Address:

Award Type:

Grant ID:

Plan: Amgen Inc. 2009 Equity Incentive Plan

Grant Date:

Grant Price: \$\_\_\_\_\_

Number of Shares:

Number of Units

Vesting Date: Means the vesting date indicated in the Vesting Schedule

Vesting Schedule: Means the schedule of vesting set forth under Vesting Details

Vesting Details: Means the presentation (tabular or otherwise) of the Vesting Date and the quantity of Shares vesting.

## RESTRICTED STOCK UNIT AGREEMENT

THE SPECIFIC TERMS OF YOUR GRANT OF RESTRICTED STOCK UNITS ARE FOUND IN THE PAGES RELATING TO THE GRANT OF RESTRICTED STOCK UNITS FOUND ON MERRILL LYNCH BENEFITS WEBSITE (OR THE WEBSITE OF ANY SUCCESSOR COMPANY TO MERRILL LYNCH BANK & TRUST CO., FSB) (THE “AWARD NOTICE”) WHICH ACCOMPANIES THIS DOCUMENT. THE TERMS OF THE AWARD NOTICE ARE INCORPORATED INTO THIS RESTRICTED STOCK UNIT AGREEMENT.

On the Grant Date specified in the Award Notice, Amgen Inc., a Delaware corporation (the “Company”), has granted to you, the grantee named in the Award Notice, under the plan specified in the Award Notice (the “Plan”), the Number of Units with respect to the number of shares of the \$.0001 par value common stock of the Company (the “Shares”) specified in the Award Notice, on the terms and conditions set forth in this Restricted Stock Unit Agreement, any special terms and conditions for your country set forth in the attached Appendix A and the Award Notice (together, the “Agreement”). The Units shall constitute Restricted Stock Units under Section 9.5 of the Plan, which is incorporated herein by reference. Capitalized terms not defined herein shall have the meanings assigned to such terms in the Plan.

### I. Vesting Schedule and Termination of Units.

- a. *General.* Subject to the terms and conditions of this Agreement, on each Vesting Date, the Number of Units indicated on the Vesting Schedule shall vest, provided that you have remained continuously and actively employed with the Company or an Affiliate (as defined in the Plan) through each applicable Vesting Date, unless (i) [your employment has terminated due to your Voluntary Termination (as defined in paragraph (d) of this Section I below) ]\*<sup>1</sup>, [(ii)] you experience a Qualified Termination (as defined below), or (iii)[(ii)] as otherwise determined by the Company in the exercise of its discretion as provided in paragraph (f) of this Section I. The Units represent an unfunded, unsecured promise by the Company to deliver Shares. Only whole Shares shall be issued upon vesting of the Units, and the Company shall be under no obligation to issue any fractional Shares to you. If your employment with the Company or an Affiliate is terminated for any reason or for no reason, including if your active employment is terminated by the Company or an Affiliate without Cause (as defined below), or in the event of any other termination of your active employment caused directly or indirectly by the Company or an Affiliate, except as otherwise provided in paragraphs (b), (c), [(d), ]\*<sup>(1)</sup> (e) or (f) of this Section I below, your unvested Units shall automatically

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<sup>1</sup> Paragraph (d) of Section I of this Agreement is not applicable to awards identified by the Administrator as new hire, retention or promotion grants and the provisions of such paragraph shall be reserved and references thereto identified by an asterisk (\*) shall be omitted from the agreements evidencing such grants.



expire and terminate on the date of termination of your active employment. Notwithstanding anything herein to the contrary, the Vesting Schedule may be accelerated (by notice in writing) by the Company in its sole discretion at any time during the term of the Units. In addition, if not prohibited by local law, vesting may be suspended by the Company in its sole discretion during a leave of absence as provided from time to time according to Company policies and practices.

- b. *Permanent and Total Disability.* Notwithstanding the provisions in paragraph (a) above, if your employment with the Company or an Affiliate terminates due to your Permanent and Total Disability (as defined below), then the vesting of Units granted under this Agreement shall be accelerated, subject to your execution of a general release and waiver in a form provided by the Company, to vest as of the day immediately preceding such termination of your employment with respect to all Units granted hereunder, except that if the Units were granted in the calendar year in which such termination occurs, the Units shall be accelerated to vest with respect to a number of Units equal to the number of Units subject to this Agreement multiplied by a fraction, the numerator of which is the number of complete months you remained continuously and actively employed during such calendar year, and the denominator of which is twelve (12).
- c. *Death.* Notwithstanding the provisions in paragraph (a) above, if your employment with the Company or an Affiliate terminates due to your death, then the vesting of Units granted under this Agreement shall be accelerated to vest as of the day immediately preceding your death with respect to all Units granted hereunder, except that if the Units were granted in the calendar year in which your death occurs the Units shall be accelerated to vest with respect to a number of Units equal to the number of Units subject to this Agreement multiplied by a fraction, the numerator of which is the number of complete months you remained continuously and actively employed during such calendar year, and the denominator of which is twelve (12).
- d. *[Retirement.* Notwithstanding the provisions in paragraph (a) above, if you terminate your employment with the Company or an Affiliate due to your voluntary termination (and such voluntary termination is not the result of Permanent and Total Disability (as defined below)) after you are at least sixty-five (65) years of age, or after you are at least fifty-five (55) years of age and have been an employee of the Company and/or an Affiliate 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 ("Voluntary Termination"), then the Units will vest pursuant to the Vesting Schedule without regard to the termination of employment prior to the Vesting Date, subject to your execution of a general release and waiver in a form provided by the Company, with respect to all Units granted hereunder; provided, however, that if the Units were granted in the calendar year in which the Voluntary Termination occurs, the Units will vest pursuant to the Vesting Schedule provided in the Award Notice only with respect to a number of Units equal to the number of Units subject to this Agreement multiplied by a fraction, the numerator of which is the number of complete months you remained continuously and actively employed during such calendar year, and the denominator of

which is twelve (12); notwithstanding the definition of Voluntary Termination set forth above, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in your jurisdiction that would likely result in the favorable treatment upon Voluntary Termination described above being deemed unlawful and/or discriminatory, then the Committee will not apply the favorable treatment described above.][Reserved]\*<sup>2</sup>

- e. *Qualified Termination after a Change of Control.* Notwithstanding the provisions in paragraph (a) above, in the event of a Qualified Termination (as defined below), then, to the extent permitted by applicable law, the vesting of Units granted under this Agreement shall be accelerated to vest as of the day immediately prior to the Qualified Termination.
- f. *Continued Vesting.* Notwithstanding the provisions in paragraph (a) above, the Company may in its sole discretion at any time during the term of this Agreement, in writing, otherwise provide that the Units will vest pursuant to the Vesting Schedule without regard to the termination of employment prior to the Vesting Date, subject to any terms and conditions that the Company may determine.

For purposes of this Agreement:

(i) “termination of your active employment” shall mean the last date that you are either an active employee of the Company or an Affiliate or actively engaged as a Consultant or Director of the Company or an Affiliate; in the event of termination of your employment (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are working or the terms of your employment agreement, if any), your right to receive Units and vest under the Plan, if any, will terminate effective as of the date that you are no longer actively providing services and will not be extended by any notice period mandated under local law (e.g., active employment would not include any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any). The Company shall have exclusive discretion to determine when you are no longer actively providing services for purposes of the Units (including whether you may still be considered to be providing services while on a leave of absence);

(ii) “Cause” shall mean (i) your conviction of a felony, or (ii) your engaging in conduct that constitutes willful gross neglect or willful gross misconduct in carrying out your duties, resulting, in either case, in material economic harm to the Company, unless you believed in good faith that such conduct was in, or not contrary to, the best interests of the Company. For purposes of clause (ii) above, no act, or failure to act, on your part shall be deemed “willful” unless done, or omitted

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<sup>2</sup> Paragraph (d) of Section I of this Agreement is not applicable to awards identified by the Administrator as new hire, retention or promotion grants and the provisions of such paragraph shall be reserved and references thereto identified by an asterisk (\*) shall be omitted from the agreements evidencing such grants.

to be done, by you not in good faith;

(iii) “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 your employment by (i) the U.S. Social Security Administration, (ii) the comparable governmental authority applicable to an Affiliate, (iii) such other body having the relevant decision-making power applicable to an Affiliate, or (iv) an independent medical advisor appointed by the Company in its sole discretion, as applicable, in any such case;

(iv) “Qualified Termination” shall mean

- (a) if you are an employee who participates in the Change of Control Plan (as defined below), your termination of employment within two (2) years following a Change of Control (i) by the Company other than for Cause, Disability (as defined below), or as a result of your death or (ii) by you for Good Reason (as defined in the Change of Control Plan); or
- (b) if you are an employee who does not participate in the Change of Control Plan or the Change of Control Plan is no longer in effect, your termination of employment within two (2) years following a Change of Control by the Company other than for Cause, Disability (as defined below), or as a result of your death;

(v) “Change of Control” shall mean the occurrence of any of the following:

(A) 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 or the combined voting power of the Company’s then-outstanding voting securities entitled to vote generally in the election of directors; or

(B) 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

(C) 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; or

(D) any other event which the Incumbent Board, in its sole discretion, determines shall constitute a Change of Control.

Notwithstanding anything herein or in the Agreement to the contrary, if a Change of Control constitutes a payment event with respect to any Unit 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 (A), (B), (C) or (D) above must also constitute a "change in control event," as defined in U.S. Treasury Regulation § 1.409A-3(i)(5), in order to constitute a Change of Control for purposes of payment of such Unit.

(vi) "Change of Control Plan" shall mean the Company's change of control and severance plan, including the Amgen Inc. Change of Control Severance Plan, as amended and restated, effective as of December 9, 2010 (and any subsequent amendments thereto), or equivalent plan governing the provision of benefits to eligible employees upon the occurrence of a Change of Control (including resulting from a termination of employment that occurs within a specified time period following a Change of Control), as in effect immediately prior to a Change of Control; and

(vii) "Disability" shall be determined in accordance with the Company's long-term disability plan as in effect immediately prior to a Change of Control.

II. Form and Timing of Payment. Subject to satisfaction of tax or similar obligations as provided for in Section III, any vested Units shall be paid by the Company in Shares (on a one-to-one basis) on, or as soon as practicable after, and in any event within 90 days after the applicable Vesting Date, which for purposes of this Section II, includes the date of any accelerated vesting, if any (the "Settlement Period"). [(For the avoidance of doubt, in the event that any Units continue to vest following a Voluntary Termination in accordance with Section 1(d) above, the Vesting Date(s) for purposes of payments pursuant to this Section II shall be the regularly scheduled Vesting Dates following such termination.]\*<sup>3</sup> Notwithstanding anything to the contrary in the foregoing, in the event that (i) the vesting and settlement of Units is conditioned on your execution and delivery of a release and (ii) the Settlement Period commences in one calendar year and ends in the next calendar year, the Units will be paid in the second calendar year. Shares issued in respect of a Unit

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<sup>3</sup> Paragraph (d) of Section I of this Agreement is not applicable to awards identified by the Administrator as new hire, retention or promotion grants and the provisions of such paragraph shall be reserved and references thereto identified by an asterisk (\*) shall be omitted from the agreements evidencing such grants.

shall be deemed to be issued in consideration of past services actually rendered by you to the Company or an Affiliate or for its benefit for which you have not previously been compensated or for future services to be rendered, as the case may be, which the Company deems to have a value at least equal to the aggregate par value thereof.

III. Tax Withholding; Issuance of Certificates. Regardless of any action the Company or your actual employer (the “Employer”) 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 your participation in the Plan and legally applicable to you (“Tax Obligations”), you acknowledge that the ultimate liability for all Tax Obligations is and remains your responsibility and may exceed the amount actually withheld by the Company and/or your Employer. You further acknowledge that the Company and/or your Employer (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Units, including the grant of the Units, the vesting of Units, the conversion of the 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 Units to reduce or eliminate your liability for Tax Obligations or achieve any particular tax result. Furthermore, if you become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, you acknowledge that the Company and/or your Employer (or former employer, as applicable) 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, you shall pay, or make adequate arrangements satisfactory to the Company or to your Employer (in their sole discretion) to satisfy all Tax Obligations. In this regard, you authorize the Company and/or your Employer or their respective agents, at their discretion, to satisfy all applicable Tax Obligations by one or a combination of the following:

- (a) withholding from your wages or other cash compensation paid to you by the Company and/or your Employer; or
- (b) withholding from proceeds of the sale of Shares acquired upon vesting or payment of the Units either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization); or
- (c) withholding in Shares to be issued upon vesting or payment of the Units, provided that the Company and your Employer shall only withhold an amount of Shares 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, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested Units, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax Obligations due as a result of any aspect of your participation in the Plan (any Shares withheld by

the Company hereunder shall not be deemed to have been issued by the Company for any purpose under the Plan and shall remain available for issuance thereunder).

Finally, you shall pay to the Company or your Employer any amount of Tax Obligations that the Company or your Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. You agree to take any further actions and execute any additional documents as may be necessary to effectuate the provisions of this Section III. Notwithstanding Section II above, the Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax Obligations.

#### IV. Dividend Equivalents

(a) Crediting and Payment of Dividend Equivalents. Subject to this Section IV, Dividend Equivalents shall be credited on each Unit granted to you under this Agreement in the manner set forth in the remainder of this Section IV. If the Company declares one or more dividends or distributions (each, a “Dividend”) on its Common Stock with a record date which occurs during the period commencing on the Grant Date through and including the day immediately preceding the day the shares of Common Stock subject to the Units are issued to you, whether in the form of cash, Common Stock or other property, then on the date such Dividend is paid to the Company’s stockholders you shall be credited with an amount equal to the amount or fair market value of such Dividend which would have been payable to you if you held a number of shares of Common Stock equal to the number of your Units as of the record date for such Dividend, unless the Units have been forfeited between the record date and payment date for such Dividend. Any such Dividend Equivalents shall be credited and deemed reinvested in the Common Stock as of the Dividend payment date. Dividend Equivalents shall be payable in full shares of Common Stock, unless the Administrator determines, at any time prior to payment and in its discretion, that they shall be payable in cash. Dividend Equivalents payable with respect to fractional shares of Common Stock shall be paid in cash.

(b) Treatment of Dividend Equivalents. Except as otherwise expressly provided in this Section VI, any Dividend Equivalents credited to you shall be subject to all of the provisions of this Agreement which apply to the Units with respect to which they have been credited and shall be payable, if at all, at the time and to the extent that the underlying Unit becomes payable. Dividend Equivalents shall not be payable on any Units that do not vest, or are forfeited, pursuant to the terms of this Agreement.

V. Transferability. No benefit payable under, or interest in, this Agreement or in the Shares that are scheduled to be issued to you hereunder 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, your or your beneficiary’s debts, contracts, liabilities or torts; provided, however, nothing in this Section V shall prevent transfer (i) by will or (ii) by applicable laws of descent and distribution.

VI. Notices. Any notices provided for in this Agreement or the Plan shall be given in writing or electronically and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at such address as is currently maintained in the Company's records or at such other address as you hereafter designate by written notice to the Company Stock Administrator. Such notices may be given using any automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, as approved by the Company.

VII. Plan. This Agreement is subject to all the provisions of the Plan, which provisions are hereby made a part of this Agreement, including without limitation the provisions of Section 9.5 of the Plan relating to Restricted Stock Units, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this Agreement and those of the Plan, the provisions of the Plan shall control.

VIII. Governing Law. The terms of this Agreement shall be governed by the laws of the State of Delaware without giving effect to principles of conflicts of laws. For purposes of litigating any dispute that arises hereunder, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of the State of Delaware, or the federal courts for the United States for the federal district located in the State of Delaware, and no other courts, where this Agreement is made and/or to be performed.

IX. Code Section 409A. The time and form of payment of the Units is intended to comply with the requirements of Code Section 409A and this Agreement shall be interpreted in accordance with Code Section 409A and U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Grant Date. Accordingly, no acceleration or deferral of any payment shall be permitted if it would cause the payment of the Units to violate Code Section 409A. In addition, notwithstanding any provision herein to the contrary, in the event that following the Grant Date, the Committee (as defined in the Plan) determines that it may be necessary or appropriate to do so, the Committee may adopt such amendments to the Plan and/or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Plan and/or the Units from the application of Code Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to this Award, or (b) comply with the requirements of Code Section 409A; provided, however, that this paragraph shall not create an obligation on the part of the Committee to adopt any such amendment, policy or procedure or take any such other action. For purposes of Code Section 409A, the right to receive payment of Units at each Vesting Date shall be treated as a right to receive separate and distinct payments.

X. Acknowledgement. By electing to accept this Agreement, you acknowledge receipt of this Agreement and hereby confirm your understanding that the terms set forth in this Agreement constitute, subject to the terms of the Plan, which terms shall control in the event of any conflict between the Plan and this Agreement, the entire agreement and understanding of the parties with

respect to the matters contained herein and supersede any and all prior agreements, arrangements and understandings, both oral and written, between the parties concerning the subject matter of this Agreement. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

XI. Acknowledgment of Nature of Plan and Units. In accepting this Agreement, you acknowledge that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;

(b) the grant of the Units is voluntary and occasional and does not create any contractual or other right to receive future awards of Units, or benefits in lieu of Units even if Units have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment or service relationship (if any) at any time;

(e) your participation in the Plan is voluntary;

(f) the grant of Units and the Shares subject to the Units are not intended to replace any pension rights or compensation;

(g) neither the grant of Units nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon you any right with respect to employment or continuation of current employment and shall not be interpreted to form an employment contract or relationship with the Company or any Affiliate;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) in consideration of the grant of Units hereunder, no claim or entitlement to compensation or damages arises from termination of Units, and no claim or entitlement to compensation or damages shall arise from forfeiture of the Units resulting from termination of your employment by the Company or an Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and your Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court



of competent jurisdiction to have arisen, you shall be deemed irrevocably to have waived your entitlement to pursue such claim;

(j) except as otherwise provided in this Agreement or the Plan, the Units and the benefits evidenced by this Agreement do not create any entitlement to have the Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company;

(k) the following provisions apply only if you are providing services outside the United States:

(i) for employment law purposes outside the United States, the Units and Shares subject to the Units are not part of normal or expected compensation or salary for any purpose, including but not limited to for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments; and

(ii) you acknowledge and agree that neither the Company, the Employer nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Units or of any amounts due to you pursuant to the settlement of the Units or the subsequent sale of any Shares acquired upon settlement.

XII. No Advice Regarding Award. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

XIII. Compliance with Laws. Notwithstanding any provision of this Agreement to the contrary, if you are employed by the Company or an Affiliate in any of the countries identified in the attached Appendix A (which constitutes a part of this Agreement), are subject to the laws of any foreign jurisdiction, or relocate to one of the countries included in the attached Appendix A, the Units granted hereunder shall be subject to any special terms and conditions for your country set forth in Appendix A and to the following additional terms and conditions:

- a. the terms and conditions of this Agreement, including Appendix A, are deemed modified to the extent necessary or advisable to comply with applicable foreign laws or facilitate the administration of the Plan;
- b. if applicable, the effectiveness of your award of Units is conditioned upon its compliance with any applicable foreign laws, regulations, rules or local governmental regulatory exemption and subject to receipt of any required foreign regulatory approvals;
- c. to the extent necessary to comply with applicable foreign laws, the payment of any earned Units shall be made in cash or Common Stock, at the Company's election; and

- d. the Company may take any other action, before or after an award of 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 Company may not take any actions hereunder, that would violate the Securities Act, the Exchange Act, the Code, or any other securities or tax or other applicable law or regulation, or the rules of any Securities Exchange. Notwithstanding anything to the contrary contained herein, the Shares issuable upon vesting of the Unit shall not be issued unless such Shares are then registered under the Securities Act, or, if such Shares are not then so registered, the Company has determined that such vesting and issuance would be exempt from the registration requirements of the Securities Act.

**XIV. Data Privacy and Notice of Consent. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement by and among, as applicable, your Employer, the Company, and Affiliates of the Company for the exclusive purpose of implementing, administering and managing your participation in the Plan.**

**You understand that the Company and your Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number (to the extent permitted under applicable local law) or other identification number, salary, nationality, job title, residency status, any shares of stock or directorships held in the Company, details of all equity compensation or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor, for the purposes of implementing, administering and managing the Plan (“Data”).**

**You understand that Data may be transferred to Merrill Lynch Bank & Trust Co., FSB, or any successor thereto, or any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, including outside the European Economic Area and that the recipient’s country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize your Employer, the Company, Affiliates of the Company, Merrill Lynch Bank & Trust Co., FSB, or any successor thereto, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing your participation in the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to any other broker, escrow agent or other third party with whom the Shares received upon vesting of the Units may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources**

*representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Units or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.*

XV. Severability. If one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed so as to foster the intent of this Agreement and the Plan.

XVI. Language. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

XVII. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

XVIII. Compensation Subject to Recovery. The Units subject to this Award 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.

XIX. Waiver. You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other grantee.

Very truly yours,  
AMGEN INC.

By: \_\_\_\_\_

Name:  
Title:

## APPENDIX A

### ADDITIONAL TERMS AND CONDITIONS OF THE AMGEN INC. 2009 EQUITY INCENTIVE PLAN

#### GRANT OF RESTRICTED STOCK UNITS (BY COUNTRY)

##### *TERMS AND CONDITIONS*

This Appendix includes additional terms and conditions that govern any Units granted under the Plan **if, under applicable law, you are a resident of, or are deemed to be a resident of one of the countries listed below. Furthermore, the additional terms and conditions that govern any Units granted hereunder may apply to you if you relocate to one of the countries listed below and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.** Certain capitalized terms used but not defined in this Appendix A shall have the meanings set forth in the Plan and/or the Agreement to which this Appendix is attached.

##### *NOTIFICATIONS*

This Appendix also includes notifications relating to exchange control and other issues of which you should be aware with respect to your participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries to which this Appendix refers as of February 2012. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the notifications herein as the only source of information relating to the consequences of your participation in the Plan because the information may be outdated when you vest in the Units and acquire Shares under the Plan, or when you subsequently sell Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation. Finally, if you are a citizen or resident of a country other than the one in which you are currently working or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you or you may be subject to the provisions of one or more jurisdictions.

##### ALGERIA

##### *NOTIFICATIONS*

**Exchange Control Information.** Proceeds from the sale of Shares and any cash dividends must be repatriated to Algeria.

## AUSTRALIA

### **NOTIFICATIONS**

**Exchange Control Information.** Exchange control reporting is required for cash transactions exceeding AUD10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on your behalf.

**Securities Law Information.** If you acquire Shares under the Plan and offer the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. You should consult with your own legal advisor before making any such offer in Australia.

## AUSTRIA

### **NOTIFICATIONS**

**Consumer Protection Information.** You may be entitled to revoke acceptance of any Units granted under the Plan on the basis of the Austrian Consumer Protection Act (the “Act”) under the conditions listed below, if the Act is considered to be applicable to the Agreement and the Plan:

- (i) If you accept the Units outside the business premises of the Company, you may be entitled to revoke your acceptance of the Units, provided the revocation is made within one (1) week after such acceptance of the Units.
- (ii) The revocation must be in written form to be valid. It is sufficient if you return the Agreement to the Company or the Company’s representative with language which can be understood as a refusal to conclude or honor the Agreement, provided the revocation is sent within the period discussed above.

**Exchange Control Information.** If you hold Shares acquired under the Plan outside of Austria, you must submit a report to the Austrian National Bank. An exemption applies if the value of the shares as of any given quarter does not exceed €30,000,000 or if the value of the shares in any given year as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

A separate reporting requirement applies when you sell Shares acquired under the Plan. In that case, there may be exchange control obligations if the cash proceeds are held outside of Austria. If the transaction volume of all accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, on the prescribed form (*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*).

## **BELGIUM**

### ***NOTIFICATIONS***

**Tax Reporting.** You are required to report any taxable income attributable to the Units granted hereunder on your annual tax return. You are also required to report any security and bank accounts opened and maintained outside Belgium on your annual tax return.

## **BRAZIL**

### ***TERMS AND CONDITIONS***

**Compliance with Law.** By accepting the Units, you acknowledge that you agree to comply with applicable Brazilian laws and pay any and all applicable taxes associated with the vesting of the Units and the sale of Shares acquired under the Plan.

### ***NOTIFICATIONS***

**Exchange Control Information.** If you are resident or domiciled in Brazil, you will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights equals or exceeds US\$100,000. Assets and rights that must be reported include the Shares.

## **BULGARIA**

There are no country-specific provisions.

## **CANADA**

### ***TERMS AND CONDITIONS***

**Termination of Employment.** Section I(i) of the Agreement is amended to read as follows:

(i) “termination of your active employment” shall mean the last date that you are either an active employee of the Company or an Affiliate or actively engaged as a Consultant or Director of the Company or an Affiliate; in the event of involuntary termination of your employment (whether or not in breach of local labor laws), your right to receive any Units and vest under the Plan, if any, will terminate effective as of the date that is the earlier of: (1) the date you receive notice of termination of employment from the Company or your Employer, or (2) the date you are no longer actively employed by the Company or your Employer regardless of any notice period or period of pay in lieu of such notice required under local law (including, but not limited to statutory law, regulatory law and/or common law). Your right, if any, to acquire Shares pursuant to the Units after termination of employment will be measured by the date of termination of your active employment and will not be extended by any notice period mandated under local law.

**Form of Settlement- Units Payable Only in Shares.** Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the Units do not provide any right for you, as a resident of Canada, to receive a cash payment and shall be paid in Shares only.

**The following provisions will apply to you if you are a resident of Quebec:**

**Language Consent.** The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention (“Agreement”), ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.*

**Data Privacy Notice and Consent.** This provision supplements Section XVI of the Agreement:

You hereby authorize the Company and the Company’s representative to discuss with and obtain all relevant information from all personnel (professional or not) involved in the administration and operation of the Plan. You further authorize the Company and your Employer to disclose and discuss your participation in the Plan with their advisors. You also authorize the Company and your Employer to record such information and keep it in your employee file.

#### **NOTIFICATIONS**

**Securities Law Information.** You are permitted to sell Shares acquired through the Plan through the designated broker appointed under the Plan, if any, provided that the resale of such Shares takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.*, the NASDAQ Global Select Market).

#### **CZECH REPUBLIC**

#### **NOTIFICATIONS**

**Exchange Control Information.** Proceeds from the sale of Shares may be held in a cash account abroad and you are no longer required to report the opening and maintenance of a foreign account to the Czech National Bank (the “CNB”), unless the CNB notifies you specifically that such reporting is required. Upon request of the CNB, you may need to file a notification within 15 days of the end of the calendar quarter in which you acquire Shares.

#### **DENMARK**

#### **NOTIFICATIONS**

**Exchange Control Information.** If you establish an account holding Shares or an account holding cash outside Denmark, you must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (These obligations are separate from and in addition to the obligations described below.)

**Securities/Tax Reporting Information.** If you hold Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, you are required to inform the Danish Tax Administration about the account. For this purpose, you must sign and file a Form V (*Erklaering V*) with the Danish Tax Administration. In the event that the applicable broker or bank with which the account is held does not also sign the Form V, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account and any Shares acquired under the Plan and held in such account to the Danish Tax Administration as part of your annual income tax return. By signing the Form V, you authorize the Danish Tax Administration to examine the account.

In addition, if you open a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, you are also required to inform the Danish Tax Administration about this account. To do so, you must file a Form K (*Erklaering K*) with the Danish Tax Administration. The Form K must be signed both by you and by the applicable broker or bank where the account is held, unless an exemption from the broker/bank signature requirement is obtained from the Danish Tax Administration (which exemption may be sought on the Form K itself). By signing the Form K, you (and the broker/bank to the extent the exemption is not obtained) undertake an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, you authorize the Danish Tax Administration to examine the account.

## **EGYPT**

### **NOTIFICATIONS**

**Exchange Control Information.** If you transfer funds into Egypt in connection with the Units, you are required to transfer the funds through a registered bank in Egypt.

## **GERMANY**

### **NOTIFICATIONS**

**Exchange Control Information.** Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If you make or receive a payment in excess of this amount, you are responsible for obtaining the appropriate form from a German federal bank and complying with applicable reporting requirements.

## **GREECE**

There are no country-specific provisions.



## **HONG KONG**

### **TERMS AND CONDITIONS**

**SECURITIES WARNING:** *The Units and any Shares issued in respect of the Units do not constitute a public offering of securities under Hong Kong law and are available only to members of the Board, Employees and Consultants. The Agreement, including this Appendix, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong, nor have the documents been reviewed by any regulatory authority in Hong Kong. The Units and any documentation related thereto are intended solely for the personal use of each member of the Board, Employee and/or Consultant and may not be distributed to any other person. If you are in doubt about any of the contents of the Agreement, including this Appendix, or the Plan, you should obtain independent professional advice.*

**Units Payable Only in Shares.** Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the Units do not provide any right for you to receive a cash payment and shall be paid in Shares only.

**Sale of Shares.** In the event that Shares are issued in respect of the Units within six (6) months of the Grant Date, you agree that you will not dispose of the Shares prior to the six (6)-month anniversary of the Grant Date.

### **NOTIFICATIONS**

**Nature of Scheme.** The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

## **HUNGARY**

There are no country-specific provisions.

## **INDIA**

### **NOTIFICATIONS**

**Exchange Control Information.** You understand that you must repatriate any cash dividends paid on Shares acquired under the Plan and any proceeds from the sale of Shares acquired under the Plan to India within 90 days of receipt. You will receive a foreign inward remittance certificate (“FIRC”) from the bank where you deposit the foreign currency, and you must maintain the FIRC as proof of repatriation of funds in the event that the Reserve Bank of India or the Employer requests proof of repatriation. It is your responsibility to comply with these requirements.

## **IRELAND**

## **TERMS AND CONDITIONS**

**Nature of Agreement.** This provision supplements Section XI of the Agreement:

In accepting any Units granted hereunder, you understand and agree that the benefits received under the Plan will not be taken into account for any redundancy or unfair dismissal claim.

## **NOTIFICATIONS**

**Director Notification Requirements.** If you are a director, shadow director or secretary of an Irish Affiliate, you must notify the Irish Affiliate in writing within five (5) business days of receiving or disposing of an interest in the Company (*e.g.*, the Units or Shares) in the Company, or within five (5) business days of becoming aware of the event giving rise to the notification requirement, or within five (5) business days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of a spouse or minor children (whose interests, if any, will be attributed to the director, shadow director or secretary).

## **ITALY**

### **TERMS AND CONDITIONS**

**Data Privacy Notice.** The following provision replaces Section XIV of the Agreement:

*You understand that your Employer, the Company and any Affiliate may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance (to the extent permitted under Italian law) or other identification number, salary, nationality, job title, any shares or directorships held in the Company or any Affiliate, details of all Awards granted, or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, managing and administering the Plan (“Data”).*

*You also understand that providing the Company with Data is necessary for the performance of the Plan and that your refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. The Controller of personal data processing is Amgen Inc., with registered offices at One Amgen Center Drive, Thousand Oaks, California 91320, U.S.A., and, pursuant to Legislative Decree no. 196/2003, its Representative in Italy for privacy purposes is Amgen Dompe S.p.A., with registered offices at Via Tazzoli, 6 – 20154 Milan, Italy.*

*You understand that Data will not be publicized, but it may be transferred to banks, other financial institutions, or brokers involved in the management and administration of the Plan. You understand that Data may also be transferred to the independent registered public accounting firm engaged by the Company. You further understand that the Company and/or any Affiliate will transfer Data among themselves as necessary for the purposes of implementing,*

*administering and managing your participation in the Plan, and that the Company and/or any Affiliate may each further transfer Data to third parties assisting the Company in the implementation, administration, and management of the Plan, including any requisite transfer of Data to a broker or other third party with whom you may elect to deposit any Shares acquired at vesting of the Units. Such recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan. You understand that these recipients may be located in or outside the European Economic Area, such as in the United States or elsewhere. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Data as soon as it has completed all the necessary legal obligations connected with the management and administration of the Plan.*

*You understand that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions, as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.*

*The processing activity, including communication, the transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require your consent thereto, as the processing is necessary to performance of contractual obligations related to implementation, administration, and management of the Plan. You understand that, pursuant to Section 7 of the Legislative Decree no. 196/2003, you have the right to, including but not limited to, access, delete, update, correct, or terminate, for legitimate reason, the Data processing.*

*Furthermore, you are aware that Data will not be used for direct-marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting your local human resources representative.*

**Acknowledgement of Nature of Agreement.** By accepting any Units granted hereunder, you acknowledge that (1) you have received a copy of the Plan, the Agreement and this Appendix; (2) you have reviewed the applicable documents in their entirety and fully understand the contents thereof; and (3) you accept all provisions of the Plan, the Agreement and this Appendix.

For any Units granted, you further acknowledge that you have read and specifically and explicitly approve, without limitation, the following sections of the Agreement: Section I; Section II; Section III; Section X; Section XI; Section XIV (as replaced by the above consent); Section XVI; and Section XVII.

## **JAPAN**

There are no country-specific provisions.

## **LITHUANIA**

There are no country-specific provisions.

## **MEXICO**

### ***TERMS AND CONDITIONS***

**Acknowledgement of the Agreement.** In accepting the Award granted hereunder, you acknowledge that you have received a copy of the Plan, have reviewed the Plan and the Agreement, including this Appendix, in their entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix. You further acknowledge that you have read and specifically and expressly approve the terms and conditions of Section XI of the Agreement, in which the following is clearly described and established:

- (1) Your participation in the Plan does not constitute an acquired right.
- (2) The Plan and your participation in the Plan are offered by Amgen Inc. on a wholly discretionary basis.
- (3) Your participation in the Plan is voluntary.
- (4) Amgen Inc. and its Affiliates are not responsible for any decrease in the value of the option granted and/or Shares issued under the Plan.

**Labor Law Acknowledgement and Policy Statement.** In accepting any Award granted hereunder, you expressly recognize that Amgen Inc., with registered offices at One Amgen Center Drive, Thousand Oaks, California 91320, U.S.A., is solely responsible for the administration of the Plan and that your participation in the Plan and acquisition of Shares do not constitute an employment relationship between you and Amgen Inc. since you are participating in the Plan on a wholly commercial basis and your sole employer is Amgen Latin America Services, S.A. de C.V. (“Amgen-Mexico”). Based on the foregoing, you expressly recognize that the Plan and the benefits that you may derive from participation in the Plan do not establish any rights between you and your employer, Amgen-Mexico, and do not form part of the employment conditions and/or benefits provided by Amgen-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

You further understand that your participation in the Plan is as a result of a unilateral and discretionary decision of Amgen Inc.; therefore, Amgen Inc. reserves the absolute right to amend and/or discontinue your participation in the Plan at any time without any liability to you.

Finally, you hereby declare that you do not reserve to yourself any action or right to bring any claim against Amgen Inc. for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and you therefore grant a full and broad release to Amgen Inc., its Affiliates, shareholders, officers, agents or legal representatives with respect to any claim that may arise.

## Spanish Translation

**Reconocimiento del Otorgamiento.** Al aceptar cualquier Otorgamiento bajo el presente documento, usted reconoce que ha recibido una copia del Plan, que ha revisado el mismo en su totalidad, así como también el Acuerdo de Opción, el Acuerdo, incluyendo este Apéndice, además que comprende y está de acuerdo con todas las disposiciones tanto del Plan y del Otorgamiento, incluyendo este Apéndice. Asimismo, usted reconoce que ha leído y manifiesta específicamente y expresamente la conformidad con los términos y condiciones establecidos en la Sección X del Acuerdo, en los que se establece y describe claramente que:

- (1) Su participación en el Plan de ninguna manera constituye un derecho adquirido.
- (2) El Plan y su participación en el mismo son ofrecidos por Amgen Inc. de forma completamente discrecional.
- (3) Su participación en el Plan es voluntaria.
- (4) Amgen Inc. y sus Afiliados no son responsables de ninguna disminución en el valor de las Acciones Comunes emitidas mediante el Plan.

**Reconocimiento de la Ley Laboral y Declaración de Política.** Al aceptar cualquier Otorgamiento de Acciones bajo el presente, usted reconoce expresamente que Amgen Inc., con oficinas registradas localizadas en One Amgen Center Drive, Thousand Oaks, California 91320, U.S.A., es la única responsable de la administración del Plan y que su participación en el mismo y la adquisición de Acciones Comunes no constituyen de ninguna manera una relación laboral entre usted y Amgen Inc., debido a que su participación en el Plan es únicamente una relación comercial y que su único empleador es Amgen Latin America Services, S.A. de C.V. (“Amgen-México”). Derivado de lo anterior, usted reconoce expresamente que el Plan y los beneficios a su favor que pudieran derivar de la participación en el mismo, no establecen ningún derecho entre usted y su empleador, Amgen – México, y no forman parte de las condiciones laborales y/o los beneficios otorgados por Amgen – México, y cualquier modificación del Plan o la terminación del mismo no constituirá un cambio o desmejora de los términos y condiciones de su trabajo.

Asimismo, usted entiende que su participación en el Plan es resultado de la decisión unilateral y discrecional de Amgen Inc., por lo tanto, Amgen Inc. se reserva el derecho absoluto de modificar y/o discontinuar su participación en el Plan en cualquier momento y sin ninguna responsabilidad para usted.

Finalmente, usted manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de Amgen Inc., por cualquier compensación o daños y perjuicios, en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia usted exime amplia y completamente a Amgen Inc. de toda responsabilidad, como así también a sus Afiliadas, accionistas, directores, agentes o representantes legales con respecto a cualquier demanda que pudiera surgir.

## **NETHERLANDS**

### ***NOTIFICATIONS***

**Securities Law Information.** You should be aware of Dutch insider-trading rules, which may impact the ability to sell Shares acquired under the Plan. In particular, you may be prohibited from effectuating certain transactions if you have insider information regarding the Company.

By accepting any Units granted hereunder and participating in the Plan, you acknowledge having read and understood this Securities Law Notification and further acknowledge that it is your responsibility to comply with the following Dutch insider trading rules:

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “inside information” related to the issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public, and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any employee of an Affiliate in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain employees of the Company working at an Affiliate in the Netherlands (including persons eligible to participate in the Plan) may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when in possession of such inside information.

## **NEW ZEALAND**

There are no country-specific provisions.

## **NORWAY**

There are no country-specific provisions.

## **POLAND**

### ***NOTIFICATIONS***

**Exchange Control Information.** Polish residents holding foreign securities (including Shares) and maintaining accounts abroad must report information to the National Bank of Poland. Specifically, if the aggregate value of shares and cash held in such foreign accounts exceeds PLN 7 million, Polish residents must file reports on the transactions and balances of the accounts on a quarterly basis. If required, the reports are due on a quarterly basis by the 20th day following the

end of each quarter and must be filed on special forms available on the website of the National Bank of Poland. In addition, Polish residents are required to transfer funds through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently €15,000). You must store all documents connected with any foreign exchange transactions you engage in for a period of five years.

## **PORTUGAL**

### **TERMS AND CONDITIONS**

**Consent to Receive Information in English.** You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and Agreement.

**Conhecimento da Língua.** *Por meio do presente, eu declaro expressamente que tem pleno conhecimento da língua inglesa e que li, compreendi e livremente aceitei e concordei com os termos e condições estabelecidas no Plano e no Acordo.*

### **NOTIFICATIONS**

**Exchange Control Information.** If you do not hold the Shares acquired under the Plan with a Portuguese financial intermediary, you will need to file a report with the Portuguese Central Bank. If the Shares are held by a Portuguese financial intermediary, it will file the report for you.

## **PUERTO RICO**

There are no country-specific provisions.

## **ROMANIA**

### **NOTIFICATIONS**

**Exchange Control Information.** If you deposit proceeds from the sale of Shares in a bank account in Romania, you may be required to provide the Romanian bank assisting with the transaction with appropriate documentation explaining the source of the income. You should consult with a legal advisor to determine whether you will be required to submit such documentation to the Romanian bank.

## **RUSSIA**

### **TERMS AND CONDITIONS**

**Settlement of Units.** Depending on developments in Russian securities regulations, the Company reserves the right, in its sole discretion, to force the immediate sale of any Shares to be issued upon vesting of the Units. You agree that, if applicable, the Company is authorized to instruct Merrill

Lynch Bank & Trust Co., FSB (or such other broker as may be designated by the Company) to assist with the mandatory sale of such Shares (on your behalf pursuant to this authorization) and you expressly authorize Merrill Lynch Bank & Trust Co., FSB (or such other broker as may be designated by the Company) to complete the sale of such Shares. You acknowledge that Merrill Lynch Bank & Trust Co., FSB (or such other broker as may be designated by the Company) is under no obligation to arrange for the sale of the Shares at any particular trading price. Upon the sale of Shares, you will receive the cash proceeds from the sale of Shares, less any brokerage fees or commissions and subject to your obligations in connection with the Tax Obligations.

**Securities Law Requirements.** Any Units granted hereunder, the Agreement, including this Appendix, the Plan and all other materials you may receive regarding your participation in the Plan or any Units granted hereunder do not constitute advertising or an offering of securities in Russia. The issuance of Shares under the Plan has not and will not be registered in Russia; therefore, Shares may not be offered or placed in public circulation in Russia.

In no event will Shares acquired under the Plan be delivered to you in Russia; all Shares will be maintained on your behalf in the United States.

You are not permitted to sell any Shares acquired under the Plan directly to a Russian legal entity or resident.

**Labor Law Information.** You acknowledge that if you continue to hold Shares acquired under the Plan after an involuntary termination of your employment, you will not be eligible to receive unemployment benefits in Russia.

#### ***NOTIFICATIONS***

**Exchange Control Information.** Under current exchange control regulations, within a reasonably short time after sale of the Shares acquired under the Plan or receipt of dividends on such Shares, you must repatriate the cash proceeds to Russia. Such proceeds must be initially credited to you through a foreign currency account opened in your name at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to a foreign bank subject to the following limitations: (i) the foreign account may be opened only for individuals; (ii) the foreign account may not be used for business activities; (iii) the Russian tax authorities must be given notice about the opening/closing of each foreign account within one month of the account opening/closing; and (iv) the Russian tax authorities must be given notice of the account balances of such foreign accounts as of the beginning of each calendar year. You are encouraged to contact your personal advisor before remitting your proceeds from participation in the Plan to Russia as exchange control requirements may change.

#### **SAUDI ARABIA**

#### ***NOTIFICATIONS***



**Securities Law Information.** This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. You are hereby advised to conduct your own due diligence on the accuracy of the information relating to the Shares. If you do not understand the contents of this document, you should consult an authorized financial adviser.

## **SOUTH AFRICA**

### ***TERMS AND CONDITIONS***

**Responsibility for Taxes.** The following provision supplements Section III of the Agreement:

By accepting the Units, you agree that, immediately upon vesting and settlement of the Units, you will notify your Employer of the amount of any gain realized. If you fail to advise your Employer of the gain realized upon vesting and settlement, you may be liable for a fine. You will be solely responsible for paying any difference between your actual tax liability and the amount withheld by your Employer.

### ***NOTIFICATIONS***

**Exchange Control Information.** Because no transfer of funds from South Africa is required under the Units, no filing or reporting requirements should apply when the Units are granted or when Shares are issued upon vesting and settlement of the Units. However, because the exchange control regulations are subject to change, you should consult your personal advisor prior to vesting and settlement of the Units to ensure compliance with current regulations. You are responsible for ensuring compliance with all exchange control laws in South Africa.

## **SLOVAK REPUBLIC**

There are no country-specific provisions.

## **SLOVENIA**

There are no country-specific provisions.

## **SPAIN**

### ***TERMS AND CONDITIONS***

**Labor Law Acknowledgement.** The following provision supplements Section XI of the Agreement:

By accepting the Units granted hereunder, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan.

You understand that the Company has unilaterally, gratuitously and in its sole discretion decided to grant any Units under the Plan to individuals who may be members of the Board, Employees or Consultants of the Company or its Affiliates throughout the world. The decision is a limited decision, which is entered into upon the express assumption and condition that any Units granted will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis, other than as expressly set forth in the Agreement, including this Appendix. Consequently, you understand that the Units granted hereunder are given on the assumption and condition that they shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, you understand and freely accept that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant of Units since the future value of the Units and the underlying Shares is unknown and unpredictable. In addition, you understand that any Units granted hereunder would not be made but for the assumptions and conditions referred to above; thus, you understand, acknowledge and freely accept that, should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of Units or right to Units shall be null and void.

Further, the vesting of the Units is expressly conditioned your continued and active rendering of service, such that if your employment terminates for any reason whatsoever, the Units may cease vesting immediately, in whole or in part, effective on the date of your termination of employment (unless otherwise specifically provided in Section I of the Agreement). This will be the case, for example, even if (1) you are considered to be unfairly dismissed without good cause; (2) you are dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) you terminate service due to a change of work location, duties or any other employment or contractual condition; (4) you terminate service due to a unilateral breach of contract by the Company or an Affiliate; or (5) your employment terminates for any other reason whatsoever. Consequently, upon termination of your employment for any of the above reasons, you may automatically lose any rights to Units that were not vested on the date of your termination of employment, as described in the Plan and the Agreement.

You acknowledge that you have read and specifically accept the conditions referred to in Section I of the Agreement.

## **NOTIFICATIONS**

**Securities Law Information.** The Units and the Shares described in the Agreement and this Appendix do not qualify under Spanish regulations as securities. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory. The Agreement (including this Appendix) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

**Exchange Control Information.** When receiving foreign currency payments exceeding €50,000 derived from the ownership of Shares (*i.e.*, dividends or sale proceeds), you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will need to provide the institution with the following information: (i) your name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment and the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

If you acquire Shares under the Plan, you must declare the acquisition to the *Direccion General de Comercio e Inversiones* (the “DGCI”). If you acquire the Shares through the use of a Spanish financial institution, that institution will automatically make the declaration to the DGCI for you; otherwise, you will be required to make the declaration by filing a D-6 form. You must also declare ownership of any shares with the DGCI each January while the Shares are owned.

## **SWEDEN**

There are no country-specific provisions.

## **SWITZERLAND**

### **NOTIFICATIONS**

**Securities Law Notification.** The Units offered hereunder are considered a private offering in Switzerland and are, therefore, not subject to registration in Switzerland.

## **TURKEY**

### **NOTIFICATIONS**

**Securities Law Information.** Under Turkish law, you are not permitted to sell Shares acquired under the Plan in Turkey. You must sell the Shares acquired under the Plan outside of Turkey. The Shares are currently traded on the NASDAQ in the U.S. under the ticker symbol “AMGN” and Shares may be sold on this exchange, which is located outside of Turkey.

## **UNITED ARAB EMIRATES**

### **NOTIFICATIONS**

**Securities Law Notice.** Units under the Plan are granted only to select Board members, Employees and Consultants of the Company and its Affiliates and are for the purpose of providing equity incentives. The Plan and the Agreement are intended for distribution only to such Board members, Employees and Consultants and must not be delivered to, or relied on by, any other person. You should conduct your own due diligence on the Units offered pursuant to this Agreement. If you do

not understand the contents of the Plan and/or the Agreement, you should consult an authorized financial adviser. The Emirates Securities and Commodities Authority and the Dubai Financial Services Authority have no responsibility for reviewing or verifying any documents in connection with the Plan. Further, the Ministry of the Economy and the Dubai Department of Economic Development have not approved the Plan or the Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.

## **UNITED KINGDOM**

### ***TERMS AND CONDITIONS***

**Tax Withholding.** This provision supplements Section III of the Agreement:

You agree that if you do not pay or your Employer or the Company does not withhold from you the full amount of Tax Obligations that you owe at issuance of Shares in respect of the Units, or the release or assignment of the Units for consideration, or the receipt of any other benefit in connection with the Units (the “Taxable Event”) within 90 days after the Taxable Event, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld and/or paid shall constitute a loan owed by you to your Employer, effective 90 days after the Taxable Event. You agree that the loan will bear interest at the official rate of HM Revenue and Customs (“HMRC”) and will be immediately due and repayable by you, and the Company and/or your Employer may recover it at any time thereafter (subject to Section III of the Agreement) by withholding the funds from salary, bonus or any other funds due to you by your Employer, by withholding in Shares issued in respect of the Units or from the cash proceeds from the sale of Shares or by demanding cash or a check from you. You also authorize the Company to delay the issuance of any Shares to you unless and until the loan is repaid in full.

Notwithstanding the foregoing, if you are an officer or executive director within the meaning of Section 13(k) of the Exchange Act, as amended from time to time, the terms of the immediately foregoing provision will not apply. In the event that you are an officer or executive director and Tax Obligations are not collected from you within 90 days of the Taxable Event, the amount of any uncollected Tax Obligations may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You acknowledge that you are responsible for reporting and paying these potential additional taxes under the self-assessment regime.

**Joint Election.** As a condition of the Units granted hereunder, you agree to accept any liability for secondary Class 1 National Insurance Contributions (the “Employer NICs”), which may be payable by the Company or your Employer with respect to the Units and/or payment of the Units and issuance of Shares pursuant to the Units, the assignment or release of the Units for consideration, or the receipt of any other benefit in connection with the Units.

Without limitation to the foregoing, you agree to make an election (the “Election”), in the form specified and/or approved for such election by HMRC, that the liability for your Employer NICs payments on any such gains shall be transferred to you to the fullest extent permitted by law. You further agree to execute such other elections as may be required between you and any successor to

the Company and/or your Employer. You hereby authorize the Company and your Employer to withhold such Employer NICs by any of the means set forth in Section III of the Agreement.

Failure by you to enter into an Election, withdrawal of approval of the Election by HMRC or a joint revocation of the Election by you and the Company or your Employer, as applicable, shall be grounds for the forfeiture and cancellation of the Units, without any liability to the Company or your Employer.

## **UNITED STATES**

### ***TERMS AND CONDITIONS***

**Nature of Grant.** The following provision replaces Section I(i) of the Agreement:

(i) “termination of your active employment” shall mean the last date that you are either an active employee of the Company or an Affiliate or actively engaged as a Consultant or Director of the Company or an Affiliate; in the event of termination of your employment (whether or not in breach of local labor laws), your right to receive Units and vest under the Plan, if any, will terminate effective as of the date that you are no longer actively employed; *provided, however*, that such right will be extended by any notice period mandated by law (e.g. the Worker Adjustment and Retraining Notification Act (“WARN Act”) notice period or similar periods pursuant to local law) and any paid administrative leave (as applicable), unless the Company shall provide you with written notice otherwise before the commencement of such notice period or leave; *provided further*, that in no event shall payment of the Units be made after the close of your taxable year which includes the applicable Vesting Date or, if later, after the 15<sup>th</sup> day of the third calendar month following the applicable Vesting Date.

**FIFTH AMENDMENT TO THE  
AMGEN INC. SUPPLEMENTAL RETIREMENT PLAN  
AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2009**

The Amgen Inc. Supplemental Retirement Plan (As Amended and Restated Effective January 1, 2009) (the "Plan") is hereby amended, effective as of August 27, 2012, as follows:

The list of Participating Subsidiaries and Affiliates of Amgen Inc. in Appendix A is amended and restated to read as follows:

"Participating Subsidiaries and Affiliates of Amgen Inc. (including the legal successor to any of the following subsidiaries and affiliates):

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"

To record this Fifth Amendment to the Plan as set forth herein, the Company has caused its authorized officer to execute this document this 22nd day of August 2012.

AMGEN INC.

By: /s/ Brian McNamee  
Brian McNamee  
Senior Vice President, Human Resource

**FOURTH AMENDMENT TO THE  
AMGEN NONQUALIFIED DEFERRED COMPENSATION PLAN  
AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2009**

The Amgen Nonqualified Deferred Compensation Plan as Amended and Restated Effective January 1, 2009 (the "Plan") is hereby amended, effective August 27, 2012, as follows:

The list of Employers in Appendix A is amended and restated to read as follows:

"The following subsidiaries and affiliates of Amgen Inc., including the legal successor to any of the following subsidiaries and affiliates, 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."

To record this Fourth Amendment to the Plan as set forth herein, the Company has caused its authorized officer to execute this document this 22nd day of August, 2012.

AMGEN INC.

By: /s/ Brian McNamee  
Brian McNamee  
Senior Vice President, Human Resources

**CERTIFICATIONS**

I, Robert A. Bradway, President and Chief Executive Officer of Amgen Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Amgen Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly 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 quarterly report based on such evaluation; and
  - (d) Disclosed in this quarterly 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: November 6, 2012

/s/ ROBERT A. BRADWAY

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Robert A. Bradway

President and Chief Executive Officer



## CERTIFICATIONS

I, Jonathan M. Peacock, Executive Vice President and Chief Financial Officer of Amgen Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Amgen Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly 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 quarterly report based on such evaluation; and
  - (d) Disclosed in this quarterly 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: November 6, 2012

/s/ JONATHAN M. PEACOCK

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Jonathan M. Peacock

Executive Vice President and Chief Financial Officer

**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 Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2012 (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: November 6, 2012

/s/ ROBERT A. BRADWAY

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Robert A. Bradway

President and Chief Executive 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.

### 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 Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2012 (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: November 6, 2012

/s/ JONATHAN M. PEACOCK

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Jonathan M. Peacock  
Executive Vice President and 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.