

Amgen Inc.
Condensed Consolidated Statements of Income and
Reconciliation of GAAP Earnings to "Adjusted" Earnings
(In millions, except per share data)
(Unaudited)

	Three months ended December 31, 2011			Three months ended December 31, 2010		
	GAAP	Adjustments	"Adjusted"	GAAP	Adjustments	"Adjusted"
Revenues:						
Product sales.....	\$ 3,907	\$ -	\$ 3,907	\$ 3,760	\$ -	\$ 3,760
Other revenues.....	66	-	66	81	-	81
Total revenues.....	<u>3,973</u>	<u>-</u>	<u>3,973</u>	<u>3,841</u>	<u>-</u>	<u>3,841</u>
Operating expenses:						
Cost of sales (excludes amortization of certain acquired intangible assets presented below).....	656	(13) (a)	643	572	(4) (a)	568
Research and development.....	851	(9) (b)	842	854	(29) (b)	825
Selling, general and administrative.....	1,208	(9) (c)	1,199	1,156	(14) (c)	1,142
Amortization of certain acquired intangible assets.....	73	(73) (d)	-	73	(73) (d)	-
Other.....	23	(23) (e)	-	118	(118) (e)	-
Total operating expenses.....	<u>2,811</u>	<u>(127)</u>	<u>2,684</u>	<u>2,773</u>	<u>(238)</u>	<u>2,535</u>
Operating income.....	1,162	127	1,289	1,068	238	1,306
Interest expense, net.....	195	(34) (f)	161	162	(68) (f)	94
Interest and other income, net.....	84	-	84	93	-	93
Income before income taxes.....	1,051	161	1,212	999	306	1,305
Provision (benefit) for income taxes.....	117	56 (g)	173 (h)	(23)	225 (g)	202
Net income.....	<u>\$ 934</u>	<u>\$ 105</u>	<u>\$ 1,039</u>	<u>\$ 1,022</u>	<u>\$ 81</u>	<u>\$ 1,103</u>
Earnings per share:						
Basic.....	\$ 1.09		\$ 1.22	\$ 1.09		\$ 1.17
Diluted (i).....	\$ 1.08		\$ 1.21	\$ 1.08		\$ 1.17
Average shares used in calculation of earnings per share:						
Basic.....	854		854	940		940
Diluted (i).....	861		860	946		946

(a) - (i) See explanatory notes on the following pages.

Amgen Inc.
Condensed Consolidated Statements of Income and
Reconciliation of GAAP Earnings to "Adjusted" Earnings
(In millions, except per share data)
(Unaudited)

	Year ended December 31, 2011			Year ended December 31, 2010		
	GAAP	Adjustments	"Adjusted"	GAAP	Adjustments	"Adjusted"
Revenues:						
Product sales.....	\$ 15,295	\$ -	\$ 15,295	\$ 14,660	\$ -	\$ 14,660
Other revenues.....	287	-	287	393	-	393
Total revenues.....	<u>15,582</u>	<u>-</u>	<u>15,582</u>	<u>15,053</u>	<u>-</u>	<u>15,053</u>
Operating expenses:						
Cost of sales (excludes amortization of certain acquired intangible assets presented below).....	2,427	(82) (a)	2,345	2,220	(15) (a)	2,205
Research and development.....	3,167	(51) (b)	3,116	2,894	(121) (b)	2,773
Selling, general and administrative.....	4,486	(52) (c)	4,434	3,983	(58) (c)	3,925
Amortization of certain acquired intangible assets.....	294	(294) (d)	-	294	(294) (d)	-
Other.....	896	(896) (e)	-	117	(117) (e)	-
Total operating expenses.....	<u>11,270</u>	<u>(1,375)</u>	<u>9,895</u>	<u>9,508</u>	<u>(605)</u>	<u>8,903</u>
Operating income.....	4,312	1,375	5,687	5,545	605	6,150
Interest expense, net.....	610	(143) (f)	467	604	(266) (f)	338
Interest and other income, net.....	448	-	448	376	-	376
Income before income taxes.....	4,150	1,518	5,668	5,317	871	6,188
Provision for income taxes.....	467	343 (g)	810 (h)	690	474 (g)	1,164
Net income.....	<u>\$ 3,683</u>	<u>\$ 1,175</u>	<u>\$ 4,858</u>	<u>\$ 4,627</u>	<u>\$ 397</u>	<u>\$ 5,024</u>
Earnings per share:						
Basic	\$ 4.07		\$ 5.37	\$ 4.82		\$ 5.23
Diluted (i)	\$ 4.04		\$ 5.33	\$ 4.79		\$ 5.21
Average shares used in calculation of earnings per share:						
Basic	905		905	960		960
Diluted (i)	912		912	965		965

(a) - (i) See explanatory notes on the following pages.

Amgen Inc.
Notes to Reconciliation of GAAP Earnings to "Adjusted" Earnings
(In millions, except per share data)
(Unaudited)

	Three months ended December 31,		Year ended December 31,	
	2011	2010	2011	2010
(a) Adjustments to cost of sales:				
Stock option expense (j)	\$ (2)	\$ (4)	\$ (10)	\$ (15)
Incremental expense resulting from accelerating depreciation and accruing losses for facility operating leases as a result of our transaction with Boehringer Ingelheim involving our Fremont, California manufacturing facility (the BI transaction)	(11)	-	(65)	-
Incremental expense resulting from recording inventory acquired at fair value, which is in excess of historical cost, in the Laboratorio Quimico Farmaceutico Bergamo Ltd business combination	-	-	(7)	-
Total adjustments to cost of sales	<u>\$ (13)</u>	<u>\$ (4)</u>	<u>\$ (82)</u>	<u>\$ (15)</u>
(b) Adjustments to research and development expenses:				
Stock option expense (j)	\$ (8)	\$ (11)	\$ (35)	\$ (51)
Non-cash amortization of R&D technology intangible assets acquired in business combinations in prior years	(1)	(18)	(21)	(70)
Reversal of previously accrued expenses for bonuses and stock-based compensation awards, which were forfeited as a result of the employees' termination pursuant to our continuing efforts to improve cost efficiencies in our operations	-	-	12	-
Expense resulting from the cash settlement of unvested employee stock options in connection with the BioVex Group, Inc. (BioVex) business combination	-	-	(7)	-
Total adjustments to research and development expenses	<u>\$ (9)</u>	<u>\$ (29)</u>	<u>\$ (51)</u>	<u>\$ (121)</u>
(c) Adjustments to selling, general and administrative expenses:				
Stock option expense (j)	\$ (8)	\$ (14)	\$ (40)	\$ (58)
Merger-related expenses associated with certain of our recent business combinations	(1)	-	(12)	-
Total adjustments to selling, general and administrative expenses	<u>\$ (9)</u>	<u>\$ (14)</u>	<u>\$ (52)</u>	<u>\$ (58)</u>
(d) Adjustments to amortization of certain acquired intangible assets:				
Non-cash amortization of product technology rights acquired in a prior year business combination	<u>\$ (73)</u>	<u>\$ (73)</u>	<u>\$ (294)</u>	<u>\$ (294)</u>
(e) Adjustments to other operating expenses:				
Certain charges, primarily severance, pursuant to our continuing efforts to improve cost efficiencies in our operations.	\$ (30)	\$ -	\$ (109)	\$ -
Asset impairment charge associated with the BI transaction	-	(118)	-	(118)
Benefit/(expense) resulting from changes in the estimated fair values of the contingent consideration obligations related to the BioVex business combination	8	-	(1)	-
(Expense)/benefit related to certain legal proceedings	(1)	-	(786)	1
Total adjustments to other operating expenses	<u>\$ (23)</u>	<u>\$ (118)</u>	<u>\$ (896)</u>	<u>\$ (117)</u>
(f) Adjustments to interest expense, net:				
Non-cash interest expense associated with our convertible notes	<u>\$ (34)</u>	<u>\$ (68)</u>	<u>\$ (143)</u>	<u>\$ (266)</u>
(g) Adjustments to provision for income taxes:				
Income tax effect of the above adjustments (k)	\$ 56	\$ 107	\$ 331	\$ 318
Income tax benefit related to certain prior period charges excluded from "Adjusted" earnings	-	5	12	5
Income tax benefit from resolving certain non-routine transfer pricing issues with tax authorities	-	113	-	151
Total adjustments to provision for income taxes	<u>\$ 56</u>	<u>\$ 225</u>	<u>\$ 343</u>	<u>\$ 474</u>

(h) The "Adjusted" tax rate for the three months and year ended December 31, 2011 was 14.3%, which includes the impact of the Puerto Rico excise tax. The following table reconciles the "Adjusted" tax rate including and excluding the Puerto Rico excise tax:

	Three months ended December 31, 2011	Year ended December 31, 2011
"Adjusted" tax rate including Puerto Rico excise tax.....	14.3%	14.3%
Impact of Puerto Rico excise tax.....	3.8%	4.9%
"Adjusted" tax rate excluding Puerto Rico excise tax.....	<u>18.1%</u>	<u>19.2%</u>

Amgen Inc.
Notes to Reconciliation of GAAP Earnings to "Adjusted" Earnings
(In millions, except per share data)
(Unaudited)

- (i) The following table presents the computations for GAAP and "Adjusted" diluted EPS, computed under the treasury stock method. "Adjusted" EPS presented below excludes stock option expense:

	Three months ended December 31, 2011		Three months ended December 31, 2010	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 934	\$ 1,039	\$ 1,022	\$ 1,103
Shares (Denominator):				
Weighted-average shares for basic EPS.....	854	854	940	940
Effect of dilutive securities.....	7	6 (*)	6	6 (*)
Weighted-average shares for diluted EPS.....	861	860	946	946
Diluted EPS	\$ 1.08	\$ 1.21	\$ 1.08	\$ 1.17

	Year ended December 31, 2011		Year ended December 31, 2010	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 3,683	\$ 4,858	\$ 4,627	\$ 5,024
Shares (Denominator):				
Weighted-average shares for basic EPS.....	905	905	960	960
Effect of dilutive securities.....	7	7 (*)	5	5 (*)
Weighted-average shares for diluted EPS.....	912	912	965	965
Diluted earnings per share	\$ 4.04	\$ 5.33	\$ 4.79	\$ 5.21

(*) Dilutive securities used to compute "Adjusted" diluted EPS for the three months and years ended December 31, 2011 and 2010 were computed under the treasury stock method assuming that we do not expense stock options.

- (j) For the three months and years ended December 31, 2011 and 2010, the total pre-tax expense for employee stock options was \$18 million and \$85 million, respectively and \$29 million and \$124 million, respectively.

"Adjusted" diluted EPS including the impact of stock option expense for the three months and years ended December 31, 2011 and 2010 was as follows:

	Three months ended December 31,		Year ended December 31,	
	2011	2010	2011	2010
"Adjusted" diluted EPS, excluding stock option expense.....	\$ 1.21	\$ 1.17	\$ 5.33	\$ 5.21
Impact of stock option expense (net of tax).....	(0.02)	(0.02)	(0.07)	(0.09)
"Adjusted" diluted EPS, including stock option expense.....	\$ 1.19	\$ 1.15	\$ 5.26	\$ 5.12

- (k) The tax effect of the adjustments between our GAAP and "Adjusted" results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact at the U.S. marginal tax rate for certain adjustments, including amortization of intangible assets and non-cash interest expense associated with our convertible notes, whereas the tax impact of other adjustments, including the charge for certain legal proceedings and stock option expense, depends on whether the amounts are deductible in the tax jurisdictions where the expenses are incurred or the asset is located and the applicable tax rate(s) in those jurisdictions. Due to these factors, the effective tax rates for the adjustments to our GAAP results noted in notes (a) - (f) above, for the three months and years ended December 31, 2011 and 2010 were 34.8% and 21.8% and 35.0% and 36.5%, respectively.

Amgen Inc.
Product Sales Detail by Product and Geographic Region
(In millions)
(Unaudited)

	Three months ended December 31,		Year ended December 31,	
	2011	2010	2011	2010
Neulasta® - U.S.....	\$ 770	\$ 682	\$ 3,006	\$ 2,654
NEUPOGEN® - U.S.....	251	232	959	932
Neulasta® - International.....	228	236	946	904
NEUPOGEN® - International.....	70	87	301	354
Enbrel® - U.S.....	880	875	3,458	3,304
Enbrel® - Canada.....	65	64	243	230
XGEVA® - U.S.....	128	8	343	8
XGEVA® - International.....	6	-	8	-
Prolia® - U.S.....	52	16	130	26
Prolia® - International.....	29	4	73	7
Aranesp® - U.S.....	223	285	986	1,103
Aranesp® - International.....	315	348	1,317	1,383
EPOGEN® - U.S.....	486	591	2,040	2,524
Sensipar® - U.S.....	143	115	518	459
Mimpara® - International.....	73	73	290	255
Vectibix® - U.S.....	31	31	122	115
Vectibix® - International.....	56	48	200	173
Nplate® - U.S.....	43	34	163	129
Nplate® - International.....	37	31	134	100
Other - International.....	21	-	58	-
Total product sales.....	<u>\$ 3,907</u>	<u>\$ 3,760</u>	<u>\$ 15,295</u>	<u>\$ 14,660</u>
U.S.....	\$ 3,007	\$ 2,869	\$ 11,725	\$ 11,254
International.....	900 (a)	891	3,570 (b)	3,406
Total product sales.....	<u>\$ 3,907 (a)</u>	<u>\$ 3,760</u>	<u>\$ 15,295 (b)</u>	<u>\$ 14,660</u>

(a) The change in international product sales for the three months ended December 31, 2011 was negatively impacted by \$28 million due to foreign exchange (including \$12 million for Aranesp®, \$10 million for Neulasta®/NEUPOGEN®, \$2 million for Mimpara®, \$2 million for Nplate®, \$1 million for ENBREL and \$1 million for Vectibix®).

(b) The change in international product sales for the year ended December 31, 2011 was positively impacted by \$33 million due to foreign exchange (including \$15 million for Neulasta®/NEUPOGEN®, \$4 million for Aranesp®, \$4 million for Mimpara®, \$4 million for Vectibix®, \$3 million for Prolia®, \$2 million for ENBREL and \$1 million for Nplate®).

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

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Assets		
Current assets:		
Cash, cash equivalents and marketable securities.....	\$ 20,641	\$ 17,422
Trade receivables, net.....	2,896	2,335
Inventories.....	2,484	2,022
Other current assets.....	<u>1,572</u>	<u>1,350</u>
Total current assets.....	27,593	23,129
Property, plant and equipment, net.....	5,420	5,522
Intangible assets, net.....	2,584	2,230
Goodwill.....	11,750	11,334
Other assets.....	<u>1,524</u>	<u>1,271</u>
Total assets.....	<u>\$ 48,871</u>	<u>\$ 43,486</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 5,670	\$ 4,082
Current portion of long-term debt.....	84	2,488
Total current liabilities.....	<u>5,754</u>	<u>6,570</u>
Long-term debt.....	21,344	10,874
Other non-current liabilities.....	2,744	2,098
Stockholders' equity.....	<u>19,029</u>	<u>23,944</u>
Total liabilities and stockholders' equity.....	<u>\$ 48,871</u>	<u>\$ 43,486</u>
Shares outstanding.....	796	932

Amgen Inc.
Reconciliation of GAAP Debt Outstanding to "Adjusted" Debt Outstanding
(In millions)
(Unaudited)

	<u>December 31, 2011</u>			<u>December 31, 2010</u>		
	<u>GAAP</u>	<u>Adjustments for accounting standard</u>	<u>"Adjusted"</u>	<u>GAAP</u>	<u>Adjustments for accounting standard</u>	<u>"Adjusted"</u>
Total debt outstanding.....	\$ 21,428	\$ 154 (a)	\$ 21,582	\$ 13,362	\$ 299 (a)	\$ 13,661

(a) To exclude the impact of adopting an accounting standard on January 1, 2009 that changed the method of accounting for our convertible notes.

Amgen Inc.

Reconciliation of GAAP Stockholders' Equity to "Adjusted" Stockholders' Equity

(In millions)

(Unaudited)

	<u>GAAP</u>	<u>Adjustments for accounting standard (a)</u>	<u>"Adjusted"</u>
January 1, 2010.....	\$ 22,667	\$ (344)	\$ 22,323
December 31, 2010/January 1, 2011....	\$ 23,944	\$ (178)	\$ 23,766
December 31, 2011.....	\$ 19,029	\$ (87)	\$ 18,942

(a) To exclude the impact of adopting an accounting standard on January 1, 2009 that changed the method of accounting for our convertible notes.

Calculation of "Adjusted" Return on Stockholders' Equity (ROE)

- "Adjusted" ROE is computed by dividing "Adjusted" Net Income by Average "Adjusted" Stockholders' Equity. Average "Adjusted" Stockholders' Equity for a period is computed by averaging the beginning and ending amounts of "Adjusted" Stockholders' Equity for such period.

Reconciliation of Free Cash Flow

(In billions)

(Unaudited)

	<u>Year ended December 31, 2011</u>	<u>Year ended December 31, 2010</u>
Cash Flows from Operations.....	\$ 5.1	\$ 5.8
Capital Expenditures.....	0.6	0.6
Free Cash Flow.....	<u>\$ 4.5</u>	<u>\$ 5.2</u>

Amgen Inc.
Reconciliation of GAAP EPS Guidance to "Adjusted"
EPS Guidance for the Year Ending December 31, 2012
(Unaudited)

	<u>2012</u>		
GAAP EPS (diluted) guidance	\$ 5.43	-	\$ 5.70
Known adjustments to arrive at "Adjusted" earnings*:			
Amortization of acquired intangible assets..... (a)			0.25
Non-cash interest expense associated with our convertible notes..... (b)			0.12
Stock option expense..... (c)	0.05	-	0.07
Charges associated with the BI transaction..... (d)			0.03
"Adjusted" EPS (diluted) guidance	<u>\$ 5.90</u>	<u>-</u>	<u>\$ 6.15</u>

* The known adjustments are presented net of their related aggregate tax impact of approximately \$0.25 to \$0.26 per share.

- (a) To exclude the ongoing, non-cash amortization of intangible assets acquired in prior year business combinations.
- (b) To exclude the non-cash interest expense associated with our convertible notes.
- (c) To exclude stock option expense.
- (d) To exclude incremental expense, related to our cost-saving initiative, resulting from accelerating depreciation as a result of the BI transaction.

On January 26, 2011, we announced that we have entered into a definitive acquisition agreement to acquire Micromet, Inc. Any resulting adjustments from this transaction have not been determined. As a result, no adjustments are included in the table above.

Reconciliation of GAAP Tax Rate Guidance to "Adjusted"
Tax Rate Guidance for the Year Ending December 31, 2012
(Unaudited)

	<u>2012 with PR excise tax</u>		<u>2012 without PR excise tax</u>			
GAAP tax rate guidance	11.7%	-	12.8%	17.3%	-	18.4%
Tax rate effect of known adjustments discussed above.....	<u>2.2%</u>	<u>-</u>	<u>2.3%</u>	<u>1.6%</u>	<u>-</u>	<u>1.7%</u>
"Adjusted" tax rate guidance	<u>14.0%</u>	<u>-</u>	<u>15.0%</u>	<u>19.0%</u>	<u>-</u>	<u>20.0%</u>