

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, 2010			Three Months Ended December 31, 2009		
	GAAP	Adjustments	"Adjusted"	GAAP	Adjustments	"Adjusted"
Revenues:						
Product sales.....	\$ 3,760	\$ -	\$ 3,760	\$ 3,743	\$ -	\$ 3,743
Other revenues.....	81	-	81	66	-	66
Total revenues.....	<u>3,841</u>	<u>-</u>	<u>3,841</u>	<u>3,809</u>	<u>-</u>	<u>3,809</u>
Operating expenses:						
Cost of sales (excludes amortization of certain acquired intangible assets presented below).....	572	(4) (a)	568	538	(3) (a)	535
Research and development.....	854	(11) (a)	825	891	(9) (a)	864
Selling, general and administrative.....	1,156	(14) (a)	1,142	1,180	(15) (a)	1,159
Amortization of certain acquired intangible assets.....	73	(73) (c)	-	73	(73) (c)	-
Other.....	118	(118) (d)	-	4	(5) (e)	-
Total operating expenses.....	<u>2,773</u>	<u>(238)</u>	<u>2,535</u>	<u>2,686</u>	<u>(128)</u>	<u>2,558</u>
Operating income.....	1,068	238	1,306	1,123	128	1,251
Interest expense, net.....	162	(68) (g)	94	142	(64) (g)	78
Interest and other income, net.....	93	-	93	94	-	94
Income before income taxes.....	999	306	1,305	1,075	192	1,267
(Benefit) provision for income taxes.....	(23)	107 (h)	202	144	58 (h)	202
		113 (i)				
		5 (j)				
Net income.....	<u>\$ 1,022</u>	<u>\$ 81</u>	<u>\$ 1,103</u>	<u>\$ 931</u>	<u>\$ 134</u>	<u>\$ 1,065</u>
Earnings per share:						
Basic	\$ 1.09		\$ 1.17	\$ 0.93		\$ 1.06
Diluted (l)	\$ 1.08		\$ 1.17 (a)	\$ 0.92		\$ 1.05 (a)
Average shares used in calculation of earnings per share:						
Basic	940		940	1,006		1,006
Diluted (l)	946		946 (a)	1,011		1,012 (a)

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

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Condensed Consolidated Statements of Income and
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(Unaudited)

	Year ended December 31, 2010			Year ended December 31, 2009		
	GAAP	Adjustments	"Adjusted"	GAAP	Adjustments	"Adjusted"
Revenues:						
Product sales.....	\$ 14,660	\$ -	\$ 14,660	\$ 14,351	\$ -	\$ 14,351
Other revenues.....	393	-	393	291	-	291
Total revenues.....	<u>15,053</u>	<u>-</u>	<u>15,053</u>	<u>14,642</u>	<u>-</u>	<u>14,642</u>
Cost of sales (excludes amortization of certain acquired intangible assets presented below).....	2,220	(15) (a)	2,205	2,091	(12) (a)	2,078
		(1) (f)			(1) (f)	
Research and development.....	2,894	(51) (a)	2,773	2,864	(49) (a)	2,739
		(70) (b)			(70) (b)	
		(6) (f)			(6) (f)	
Selling, general and administrative.....	3,983	(58) (a)	3,925	3,820	(54) (a)	3,737
		(29) (f)			(29) (f)	
Amortization of certain acquired intangible assets.....	294	(294) (c)	-	294	(294) (c)	-
Other.....	117	(118) (d)	-	67	(33) (e)	-
		1 (e)			(34) (f)	
Total operating expenses.....	<u>9,508</u>	<u>(605)</u>	<u>8,903</u>	<u>9,136</u>	<u>(582)</u>	<u>8,554</u>
Operating income.....	5,545	605	6,150	5,506	582	6,088
Interest expense, net.....	604	(266) (g)	338	578	(250) (g)	328
Interest and other income, net.....	376	-	376	276	-	276
Income before income taxes.....	5,317	871	6,188	5,204	832	6,036
Provision for income taxes.....	690	318 (h)	1,164	599	293 (h)	1,022
		151 (i)			87 (i)	
		5 (j)			18 (j)	
					25 (k)	
Net income.....	<u>\$ 4,627</u>	<u>\$ 397</u>	<u>\$ 5,024</u>	<u>\$ 4,605</u>	<u>\$ 409</u>	<u>\$ 5,014</u>
Earnings per share:						
Basic	\$ 4.82		\$ 5.23	\$ 4.53		\$ 4.94
Diluted (l)	\$ 4.79		\$ 5.21 (a)	\$ 4.51		\$ 4.91 (a)
Average shares used in calculation of earnings per share:						
Basic	960		960	1,016		1,016
Diluted (l)	965		965 (a)	1,021		1,021 (a)

(a) - (l) 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)

- (a) To exclude stock option expense. For the three and twelve months ended December 31, 2010 and 2009, the total pre-tax expense for employee stock options was \$29 million and \$124 million, respectively, and \$27 million and \$115 million, respectively.

"Adjusted" diluted EPS including the impact of stock option expense for the three and twelve months ended December 30, 2010 and 2009 was as follows:

	Three months ended December 31,		Year ended December 31,	
	2010	2009	2010	2009
"Adjusted" diluted EPS, excluding stock option expense.....	\$ 1.17	\$ 1.05	\$ 5.21	\$ 4.91
Impact of stock option expense (net of tax).....	(0.02)	(0.02)	(0.09)	(0.07)
"Adjusted" diluted EPS, including stock option expense.....	\$ 1.15	\$ 1.03	\$ 5.12	\$ 4.84

- (b) To exclude the ongoing, non-cash amortization of the R&D technology intangible assets with alternative future uses acquired with the acquisitions of Abgenix, Inc. ("Abgenix") and Avidia, Inc. ("Avidia").
- (c) To exclude the ongoing, non-cash amortization of acquired product technology rights, primarily ENBREL, related to the Immunex Corporation ("Immunex") acquisition.
- (d) To exclude an asset impairment charge associated with our recently announced transaction involving our manufacturing operation in Fremont, California.
- (e) To exclude loss accruals or awards for legal settlements.
- (f) To exclude the expenses associated with our restructuring plan announced in August 2007 and certain additional cost savings initiatives subsequently identified.
- (g) To exclude the incremental non-cash interest expense resulting from a change in the accounting for our convertible notes effective January 1, 2009.
- (h) To exclude the tax effect of the above adjustments. The tax provision (benefit) for 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 impairments, stock option expense and restructuring-related items, depends on whether the amounts are deductible in the tax jurisdictions where the asset is located or the expenses are incurred and the applicable tax rate(s) in those jurisdictions. Due to these factors, the effective tax rates for the above adjustments to our GAAP results for the three and twelve months ended December 31, 2010 and 2009 were 35.0% and 36.5% and 30.2% and 35.2%, respectively.
- (i) To exclude the net income tax benefit recognized as a result of resolving certain non-routine transfer pricing issues with tax authorities for prior periods.
- (j) To exclude the income tax benefit principally related to certain prior period charges excluded from "Adjusted" earnings.
- (k) To exclude the net income tax benefit resulting from adjustments to previously established deferred taxes, primarily related to prior acquisitions and stock option expense, due to changes in California tax law effective in 2011.
- (l) The following table presents the computations for GAAP and "Adjusted" diluted earnings per share, computed under the treasury stock method. "Adjusted" earnings per share presented below excludes stock option expense:

	Three months ended December 31, 2010		Three months ended December 31, 2009	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 1,022	\$ 1,103	\$ 931	\$ 1,065
Shares (Denominator):				
Weighted-average shares for basic EPS.....	940	940	1,006	1,006
Effect of dilutive securities.....	6	6 (★)	5	6 (★)
Weighted-average shares for diluted EPS.....	946	946	1,011	1,012
Diluted earnings per share.....	\$ 1.08	\$ 1.17	\$ 0.92	\$ 1.05
	Year ended December 31, 2010		Year ended December 31, 2009	
	GAAP	"Adjusted"	GAAP	"Adjusted"
Income (Numerator):				
Net income for basic and diluted EPS.....	\$ 4,627	\$ 5,024	\$ 4,605	\$ 5,014
Shares (Denominator):				
Weighted-average shares for basic EPS.....	960	960	1,016	1,016
Effect of dilutive securities.....	5	5 (★)	5	5 (★)
Weighted-average shares for diluted EPS.....	965	965	1,021	1,021
Diluted earnings per share.....	\$ 4.79	\$ 5.21	\$ 4.51	\$ 4.91

- (★) Dilutive securities used to compute "Adjusted" diluted earnings per share for the three and twelve months ended December 31, 2010 and 2009 were computed under the treasury stock method assuming that we do not expense stock options.

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

	Three months ended December 31,		Year ended December 31,	
	2010	2009	2010	2009
Aranesp [®] - U.S.....	\$ 285	\$ 288	\$ 1,103	\$ 1,251
Aranesp [®] - International.....	348	360	1,383	1,401
EPOGEN [®] - U.S.....	591	703	2,524	2,569
Neulasta [®] - U.S.....	682	651	2,654	2,527
NEUPOGEN [®] - U.S.....	232	229	932	901
Neulasta [®] - International.....	236	225	904	828
NEUPOGEN [®] - International.....	87	97	354	387
Enbrel [®] - U.S.....	875	853	3,304	3,283
Enbrel [®] - Canada.....	64	59	230	210
Sensipar [®] - U.S.....	115	109	459	429
Mimpara [®] - International.....	73	62	255	222
Vectibix [®] - U.S.....	31	25	115	97
Vectibix [®] - International.....	48	41	173	136
Nplate [®] - U.S.....	34	24	129	78
Nplate [®] - International.....	31	17	100	32
Prolia [®] - U.S.....	16	-	26	-
Prolia [®] - International.....	4	-	7	-
XGEVA [™] - U.S.....	8	-	8	-
Total product sales.....	<u>\$ 3,760</u>	<u>\$ 3,743</u>	<u>\$ 14,660</u>	<u>\$ 14,351</u>
U.S.....	\$ 2,869	\$ 2,882	\$ 11,254	\$ 11,135
International.....	891 (a)	861	3,406 (b)	3,216
Total product sales.....	<u>\$ 3,760 (a)</u>	<u>\$ 3,743</u>	<u>\$ 14,660 (b)</u>	<u>\$ 14,351</u>

(a) The change in international product sales for the three months ended December 31, 2010 was negatively impacted by \$26 million due to foreign exchange (including \$10 million for Aranesp[®], \$7 million for Neulasta[®]/NEUPOGEN[®], \$4 million for Mimpara[®], \$4 million for Vectibix[®] and \$3 million for Nplate[®], partially offset by favorable impact of \$2 million for ENBREL).

(b) The change in international product sales for the twelve months ended December 31, 2010 was positively impacted by \$8 million due to foreign exchange (including \$10 million for ENBREL, \$8 million for Neulasta[®]/NEUPOGEN[®] and \$2 million for Aranesp[®], partially offset by unfavorable impact of \$5 million for Mimpara[®], \$4 million for Vectibix[®] and \$3 million for Nplate[®]).

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

	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Assets		
Current assets:		
Cash, cash equivalents and marketable securities.....	\$ 17,422	\$ 13,442
Trade receivables, net.....	2,335	2,109
Inventories.....	2,022	2,220
Other current assets.....	1,350	1,161
Total current assets.....	<u>23,129</u>	<u>18,932</u>
Property, plant and equipment, net.....	5,522	5,738
Intangible assets, net.....	2,230	2,567
Goodwill.....	11,334	11,335
Other assets.....	1,271	1,057
Total assets.....	<u>\$ 43,486</u>	<u>\$ 39,629</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 4,082	\$ 3,873
Current portion of convertible notes.....	2,488	-
Total current liabilities.....	<u>6,570</u>	<u>3,873</u>
Convertible notes.....	2,296	4,512
Other long-term debt.....	8,578	6,089
Other non-current liabilities.....	2,098	2,488
Stockholders' equity.....	23,944	22,667
Total liabilities and stockholders' equity.....	<u>\$ 43,486</u>	<u>\$ 39,629</u>
Shares outstanding.....	932	995

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

	December 31, 2010			December 31, 2009		
	<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.....	\$ 13,362	\$ 299 (a)	\$ 13,661	\$ 10,601	\$ 570 (a)	\$ 11,171

(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 Stockholders' equity as adjusted for impact of accounting standard
(In millions)
(Unaudited)

	December 31, 2010			December 31, 2009		
	<u>GAAP</u>	<u>Adjustments for accounting standard</u>	<u>"Adjusted"</u>	<u>GAAP</u>	<u>Adjustments for accounting standard</u>	<u>"Adjusted"</u>
Stockholders' equity.....	\$ 23,944	\$ (178) (a)	\$ 23,766	\$ 22,667	\$ (344) (a)	\$ 22,323

(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 Earnings Per Share Guidance to "Adjusted"
Earnings Per Share Guidance for the Year Ending December 31, 2011
(Unaudited)

	<u>2011</u>
GAAP earnings per share (diluted) guidance (e) (f)	\$ 4.63 - \$ 4.85
Known adjustments to arrive at "Adjusted" earnings*:	
Amortization of acquired intangible assets, product technology rights..... (a)	0.19
Incremental non-cash interest expense..... (b)	0.09
Stock option expense..... (c)	0.06 - 0.08
Amortization of acquired intangible assets, R&D technology rights..... (d)	0.01
Other..... (e) (f)	<u>0.00</u>
"Adjusted" earnings per share (diluted) guidance	<u>\$ 5.00 - \$ 5.20</u>

* The known adjustments are presented net of their related aggregate tax impact of approximately \$0.22 to \$0.23 per share.

- (a) To exclude the ongoing, non-cash amortization of acquired product technology rights, primarily ENBREL, related to the Immunex acquisition.
- (b) To exclude the incremental non-cash interest expense resulting from a change in accounting in January 2009 related to our convertible debt.
- (c) To exclude stock option expense.
- (d) To exclude the ongoing, non-cash amortization of the R&D technology intangible assets acquired with the Abgenix and Avidia acquisitions.
- (e) The final amounts of any further adjustments related to the recently announced business transaction involving our manufacturing operation in Fremont, California have not been determined. As a result, no adjustments are included in the table above.
- (f) On January 24, 2011, we announced that we have entered into a definitive acquisition agreement to acquire BioVex Group, Inc. Any resulting adjustments from this transaction have not been determined. As a result, no adjustments are included in the table above.

Amgen Inc.
Reconciliation of GAAP Tax Rate Guidance to "Adjusted"
Tax Rate Guidance for the Year Ending December 31, 2011
(Unaudited)

	<u>2011</u>
GAAP tax rate guidance	17.3% - 18.5%
Tax rate effect of known adjustments discussed above.....	<u>1.5% - 1.7%</u>
"Adjusted" tax rate guidance	<u>19.0% - 20.0%</u>