

Amgen Inc.
GAAP Operating Income and Margin to Adjusted Operating Income and Margin Reconciliations
(In millions)
(Unaudited)

	<u>2011</u>	<u>2013</u>
GAAP operating income	\$ 4,312	\$ 5,867
Adjustments to operating income:		
Acquisition-related expenses (a)	342	986
Certain charges pursuant to our efforts to improve cost efficiencies in our operations (b)	162	71
Stock option expense	85	34
Expense related to various legal proceedings	<u>786</u>	<u>14</u>
Total adjustments to operating income	<u>1,375</u>	<u>1,105</u>
Adjusted operating income	<u>\$ 5,687</u>	<u>\$ 6,972</u>
Product sales	\$ 15,295	\$ 18,192
GAAP operating margin	28.2%	32.3%
Impact of total adjustments to operating income	<u>9.0%</u>	<u>6.0%</u>
Adjusted operating margin	<u>37.2%</u>	<u>38.3%</u>

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

(b) The adjustments related primarily to severance expenses.

Reconciliation of GAAP Income Before Income Taxes to Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)
(In millions)
(Unaudited)

	<u>2013</u>
GAAP income before income taxes	\$ 5,265
Add:	
GAAP depreciation and amortization	1,286
GAAP interest expense, net	<u>1,022</u>
EBITDA	<u>\$ 7,573</u>
Total debt	\$ 32,128
Debt to EBITDA ratio	4.2

Provided October 28, 2014, as part of an oral presentation and is qualified by such, contains forward-looking statements, actual results may vary materially; Amgen disclaims any duty to update.

Amgen Inc.

Reconciliation of GAAP Earnings Per Share to Adjusted Earnings Per Share (Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>
GAAP earnings per share (diluted)	\$ 4.04	\$ 5.52	\$ 6.64
Adjustments to GAAP earnings per share (a):			
Acquisition-related expenses (b).....	0.24	0.42	0.91
Cost savings initiatives.....	0.12	0.31	0.06
Expenses related to various legal proceedings.....	0.78	0.07	0.02
Non-cash interest expense associated with our convertible notes.....	0.10	0.11	0.01
Stock option expense.....	0.06	0.05	-
Other tax adjustments (c).....	<u>(0.01)</u>	<u>0.03</u>	<u>(0.04)</u>
Adjusted earnings per share (diluted)	<u>\$ 5.33</u>	<u>\$ 6.51</u>	<u>\$ 7.60</u>

- (a) The above adjustments are presented net of their related per-share tax impact of \$0.38, \$0.42 and \$0.49 for 2011, 2012 and 2013, respectively.
- (b) To exclude acquisition-related expenses related primarily to non-cash amortization of intangible assets, including developed product technology rights, acquired in business combinations.
- (c) The adjustments related to resolving certain non-routine transfer-pricing and acquisition-related issues with tax authorities as well as the impact related to certain prior period items excluded from adjusted earnings, as applicable.

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

	<u>2014</u>		
GAAP diluted EPS guidance	\$ 6.51	-	\$ 6.61
Known adjustments to arrive at Adjusted earnings*:			
Acquisition-related expenses..... (a)		1.26	
Restructuring and other cost savings initiatives.....		0.51	
Branded prescription drug fee.....		0.19	
Tax adjustments..... (b)		(0.02)	
Adjusted diluted EPS guidance	<u>\$ 8.45</u>	<u>-</u>	<u>\$ 8.55</u>

* The known adjustments are presented net of their related tax impact which amount to approximately \$0.90 per share in the aggregate.

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

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

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

	<u>2014</u>		
GAAP tax rate guidance	10%	-	11%
Tax rate effect of known adjustments discussed above.....		6%	
Adjusted tax rate guidance	<u>16%</u>	<u>-</u>	<u>17%</u>

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

	<u>2015</u>		
GAAP diluted EPS guidance	\$ 7.52	-	\$ 7.92
Known adjustments to arrive at Adjusted earnings*:			
Acquisition-related expenses..... (a)		1.16	
Restructuring and other cost savings initiatives.....	0.32	-	0.37
Adjusted diluted EPS guidance	<u>\$ 9.05</u>	<u>-</u>	<u>\$ 9.40</u>

* The known adjustments are presented net of their related tax impact which amount to approximately \$0.74 to \$0.76 per share in the aggregate.

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

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

	<u>2015</u>		
GAAP tax rate guidance	14%	-	16%
Tax rate effect of known adjustments discussed above.....	3%	-	4%
Adjusted tax rate guidance	<u>18%</u>	<u>-</u>	<u>19%</u>

Amgen Inc.

Reconciliation of Future GAAP to Adjusted Financial Measures

Management has presented herein certain forward-looking statements about the Company's future financial performance that include non-GAAP (or "as-adjusted") net income, EPS, operating expenses, operating margin and income tax rate for various years through December 31, 2018 and EBITDA (which is a non-GAAP financial measure) for the Year Ending December 31, 2014. These non-GAAP financial measures are derived by excluding certain amounts, expenses or income, from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts that are excluded from these non-GAAP financial measures are a matter of management judgment and depend upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measure because management cannot reliably predict all of the necessary components of such GAAP measures. Historically, management has excluded the following items from this non-GAAP financial measure, and such items may also be excluded in future periods and could be significant:

- Expenses related to the acquisition of businesses, including amortization and / or impairment of acquired intangible assets, including in-process research and development, adjustments to contingent consideration, integration costs, severance and retention costs and transaction costs;
- Charges associated with restructuring or cost saving initiatives, including but not limited to asset impairments, accelerated depreciation, severance costs and lease abandonment charges;
- Legal settlements or awards;
- The tax effect of the above items; and
- Non-routine settlements with tax authorities.