

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Revenues:				
Product sales.....	\$ 5,516	\$ 4,848	\$ 15,615	\$ 14,153
Other revenues.....	207	183	511	579
Total revenues.....	<u>5,723</u>	<u>5,031</u>	<u>16,126</u>	<u>14,732</u>
Operating expenses:				
Cost of sales.....	1,034	1,068	3,156	3,239
Research and development.....	1,119	1,018	2,977	3,063
Selling, general and administrative.....	1,244	1,213	3,430	3,372
Other.....	(13)	266	126	326
Total operating expenses.....	<u>3,384</u>	<u>3,565</u>	<u>9,689</u>	<u>10,000</u>
Operating income.....	2,339	1,466	6,437	4,732
Interest expense, net.....	282	269	811	810
Interest and other income, net.....	135	140	439	377
Income before income taxes.....	2,192	1,337	6,065	4,299
Provision for income taxes.....	329	93	926	435
Net income.....	<u>\$ 1,863</u>	<u>\$ 1,244</u>	<u>\$ 5,139</u>	<u>\$ 3,864</u>
Earnings per share:				
Basic.....	\$ 2.46	\$ 1.63	\$ 6.76	\$ 5.10
Diluted.....	\$ 2.44	\$ 1.61	\$ 6.70	\$ 5.02
Weighted average shares used in calculation of earnings per share:				
Basic.....	757	761	760	758
Diluted.....	764	771	767	769

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and marketable securities.....	\$ 31,120	\$ 27,026
Trade receivables, net.....	2,901	2,546
Inventories.....	2,531	2,647
Other current assets.....	2,292	2,494
Total current assets.....	<u>38,844</u>	<u>34,713</u>
Property, plant and equipment, net.....	4,988	5,223
Intangible assets, net.....	11,613	12,693
Goodwill.....	14,674	14,788
Other assets.....	1,750	1,592
Total assets.....	<u>\$ 71,869</u>	<u>\$ 69,009</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 5,915	\$ 6,508
Current portion of long-term debt.....	1,250	500
Total current liabilities.....	<u>7,165</u>	<u>7,008</u>
Long-term debt.....	30,511	30,215
Long-term deferred tax liability.....	3,109	3,461
Other noncurrent liabilities.....	3,117	2,547
Stockholders' equity.....	27,967	25,778
Total liabilities and stockholders' equity.....	<u>\$ 71,869</u>	<u>\$ 69,009</u>
Shares outstanding.....	755	760

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

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
<b>GAAP cost of sales</b>	\$ 1,034	\$ 1,068	\$ 3,156	\$ 3,239
<b>Adjustments to cost of sales:</b>				
Acquisition-related expenses (a)	(276)	(276)	(845)	(970)
Certain charges pursuant to our restructuring initiative	(13)	(28)	(42)	(28)
Stock option expense	-	(3)	-	(7)
<b>Total adjustments to cost of sales</b>	<u>(289)</u>	<u>(307)</u>	<u>(887)</u>	<u>(1,005)</u>
<b>Adjusted cost of sales</b>	<u>\$ 745</u>	<u>\$ 761</u>	<u>\$ 2,269</u>	<u>\$ 2,234</u>
<b>GAAP research and development expenses</b>	\$ 1,119	\$ 1,018	\$ 2,977	\$ 3,063
<b>Adjustments to research and development expenses:</b>				
Acquisition-related expenses (b)	(20)	(23)	(69)	(92)
Certain charges pursuant to our restructuring initiative	(13)	(15)	(48)	(15)
Stock option expense	-	-	-	(3)
<b>Total adjustments to research and development expenses</b>	<u>(33)</u>	<u>(38)</u>	<u>(117)</u>	<u>(110)</u>
<b>Adjusted research and development expenses</b>	<u>\$ 1,086</u>	<u>\$ 980</u>	<u>\$ 2,860</u>	<u>\$ 2,953</u>
<b>GAAP selling, general and administrative expenses</b>	\$ 1,244	\$ 1,213	\$ 3,430	\$ 3,372
<b>Adjustments to selling, general and administrative expenses:</b>				
Acquisition-related expenses (b)	(27)	(38)	(84)	(118)
Certain charges pursuant to our restructuring initiative	(11)	(3)	(35)	(3)
Expense resulting from clarified guidance on branded prescription drug fee (c)	-	(145)	-	(145)
Stock option expense	-	-	-	(3)
<b>Total adjustments to selling, general and administrative expenses</b>	<u>(38)</u>	<u>(186)</u>	<u>(119)</u>	<u>(269)</u>
<b>Adjusted selling, general and administrative expenses</b>	<u>\$ 1,206</u>	<u>\$ 1,027</u>	<u>\$ 3,311</u>	<u>\$ 3,103</u>
<b>GAAP operating expenses</b>	\$ 3,384	\$ 3,565	\$ 9,689	\$ 10,000
<b>Adjustments to operating expenses:</b>				
Adjustments to cost of sales	(289)	(307)	(887)	(1,005)
Adjustments to research and development expenses	(33)	(38)	(117)	(110)
Adjustments to selling, general and administrative expenses	(38)	(186)	(119)	(269)
Certain net charges pursuant to our restructuring and other cost savings initiatives (d)	26	(330)	(41)	(368)
Benefit resulting from changes in the estimated fair values of the contingent consideration obligations related to prior year business combinations	18	62	17	47
(Expense)/Benefit related to various legal proceedings	(2)	-	(73)	3
Other (e)	(29)	2	(29)	(8)
<b>Total adjustments to operating expenses</b>	<u>(347)</u>	<u>(797)</u>	<u>(1,249)</u>	<u>(1,710)</u>
<b>Adjusted operating expenses</b>	<u>\$ 3,037</u>	<u>\$ 2,768</u>	<u>\$ 8,440</u>	<u>\$ 8,290</u>
<b>GAAP operating income</b>	\$ 2,339	\$ 1,466	\$ 6,437	\$ 4,732
Adjustments to operating expenses	347	797	1,249	1,710
<b>Adjusted operating income</b>	<u>\$ 2,686</u>	<u>\$ 2,263</u>	<u>\$ 7,686</u>	<u>\$ 6,442</u>
<b>GAAP income before income taxes</b>	\$ 2,192	\$ 1,337	\$ 6,065	\$ 4,299
Adjustments to operating expenses	347	797	1,249	1,710
<b>Adjusted income before income taxes</b>	<u>\$ 2,539</u>	<u>\$ 2,134</u>	<u>\$ 7,314</u>	<u>\$ 6,009</u>
<b>GAAP provision for income taxes</b>	\$ 329	\$ 93	\$ 926	\$ 435
<b>Adjustments to provision for income taxes:</b>				
Income tax effect of the above adjustments (f)	114	251	404	530
Other income tax adjustments (g)	15	21	15	14
<b>Total adjustments to provision for income taxes</b>	<u>129</u>	<u>272</u>	<u>419</u>	<u>544</u>
<b>Adjusted provision for income taxes</b>	<u>\$ 458</u>	<u>\$ 365</u>	<u>\$ 1,345</u>	<u>\$ 979</u>
<b>GAAP net income</b>	\$ 1,863	\$ 1,244	\$ 5,139	\$ 3,864
<b>Adjustments to net income:</b>				
Adjustments to income before income taxes, net of the income tax effect of the above adjustments	233	546	845	1,180
Other income tax adjustments (g)	(15)	(21)	(15)	(14)
<b>Total adjustments to net income</b>	<u>218</u>	<u>525</u>	<u>830</u>	<u>1,166</u>
<b>Adjusted net income</b>	<u>\$ 2,081</u>	<u>\$ 1,769</u>	<u>\$ 5,969</u>	<u>\$ 5,030</u>

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

The following table presents the computations for GAAP and Adjusted diluted EPS. Dilutive securities used to compute Adjusted diluted EPS were computed assuming that we do not expense stock options.

	<b>Three months ended September 30, 2015</b>		<b>Three months ended September 30, 2014</b>	
	<b>GAAP</b>	<b>Adjusted</b>	<b>GAAP</b>	<b>Adjusted</b>
Net income.....	\$ 1,863	\$ 2,081	\$ 1,244	\$ 1,769
Weighted-average shares for diluted EPS.....	764	764	771	770
Diluted EPS.....	<u>\$ 2.44</u>	<u>\$ 2.72</u>	<u>\$ 1.61</u>	<u>\$ 2.30</u>
	<b>Nine months ended September 30, 2015</b>		<b>Nine months ended September 30, 2014</b>	
	<b>GAAP</b>	<b>Adjusted</b>	<b>GAAP</b>	<b>Adjusted</b>
Net income.....	\$ 5,139	\$ 5,969	\$ 3,864	\$ 5,030
Weighted-average shares for diluted EPS.....	767	767	769	769
Diluted EPS.....	<u>\$ 6.70</u>	<u>\$ 7.78</u>	<u>\$ 5.02</u>	<u>\$ 6.54</u>

- (a) The adjustments related primarily to non-cash amortization of intangible assets, including developed product technology rights, acquired in business combinations. For the nine months ended September 30, 2014, the adjustments also included a \$99-million charge related to the termination of a supply contract with F. Hoffmann-La Roche Ltd. as a result of acquiring the licenses to filgrastim and pegfilgrastim effective January 1, 2014.
- (b) The adjustments related primarily to non-cash amortization of intangible assets acquired in business combinations.
- (c) The adjustments related to the recognition of an additional year of the non-tax deductible branded prescription drug fee, as required by final regulations issued by the Internal Revenue Service.
- (d) During the three months ended September 30, 2015, we recognized a gain from the sale of assets related to our site closures. The adjustments for 2014 and the nine months ended September 30, 2015, related primarily to severance expenses.
- (e) The 2015 adjustments related primarily to the write-off of a non-key contract asset acquired in a prior year business combination. The 2014 adjustments related primarily to various acquisition-related items.
- (f) The tax effect of the adjustments between our GAAP and Adjusted results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact at the U.S. marginal tax rate for certain adjustments, including the majority of amortization of intangible assets, whereas the tax impact of other adjustments, including restructuring expense, depends on whether the amounts are deductible in the respective tax jurisdictions and the applicable tax rate(s) in those jurisdictions. Due to these factors, the effective tax rates for the adjustments to our GAAP income before income taxes, for the three and nine months ended September 30, 2015, were 32.9% and 32.3%, respectively, compared with 31.5% and 31.0% for the corresponding periods of the prior year.
- (g) The adjustments related to certain prior period items excluded from adjusted earnings. The 2015 adjustments also included the impact from a change in interpretation of tax law.

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

	Three months ended	
	September 30,	
	2015	2014
Operating Cash Flow.....	\$ 2,874	\$ 2,741
Capital Expenditures.....	(138)	(170)
Free Cash Flow.....	<u>\$ 2,736</u>	<u>\$ 2,571</u>

**Reconciliation of GAAP EPS Guidance to Adjusted**  
**EPS Guidance for the Years Ending December 31, 2015 and 2016**  
(Unaudited)

	2015			2016		
<b>GAAP diluted EPS guidance</b> .....	\$ 8.47	-	\$ 8.66	\$ 8.89	-	\$ 9.34
<b>Known adjustments to arrive at Adjusted earnings*:</b>						
Acquisition-related expenses..... (a)		1.18			1.32	
Restructuring charges.....	0.19	-	0.23	0.09	-	0.14
Legal proceeding expense.....		0.09			-	
Tax adjustments..... (b)		(0.02)			-	
<b>Adjusted diluted EPS guidance</b> .....	<u>\$ 9.95</u>	-	<u>\$ 10.10</u>	<u>\$ 10.35</u>	-	<u>\$ 10.75</u>

\* The known adjustments are presented net of their related tax impact which amount to approximately \$0.66 to \$0.69 per share in 2015 and 2016, each in the aggregate.

- (a) The adjustments relate primarily to non-cash amortization of intangible assets acquired in prior year business combinations.  
(b) The adjustments relate to a change in interpretation of tax law and certain prior period items excluded from adjusted earnings.

**Reconciliation of GAAP Tax Rate Guidance to Adjusted**  
**Tax Rate Guidance for the Years Ending December 31, 2015 and 2016**  
(Unaudited)

	2015			2016		
<b>GAAP tax rate guidance</b> .....	14.0%	-	16.0%	18.5%	-	19.5%
Tax rate effect of known adjustments discussed above.....	3.0%	-	4.0%	2.0%	-	
<b>Adjusted tax rate guidance</b> .....	<u>18.0%</u>	-	<u>19.0%</u>	<u>20.5%</u>	-	<u>21.5%</u>

**International Sales Performance Adjusted for Foreign Exchange**

Amgen has presented international sales performance excluding the impact of foreign exchange. This measure adjusts for the translation effect of changes in average foreign exchange rates between the current period and the corresponding period in the prior year. Amgen's calculation to adjust for the impact of foreign exchange results in prior period weighted-average, foreign exchange rates being applied to current period product sales. Amgen believes that excluding the impact of foreign exchange enhances an investor's overall understanding of the financial performance and prospects for the future of Amgen's core business activities by facilitating comparisons of results of core business operations among current, past and future periods.