Investor Insights Newsletter

Corporate Profile:

- Amgen discovers, develops, manufactures, and delivers innovative human therapeutics. A biotechnology pioneer since 1980, Amgen was one of the first companies to realize the new science's promise by bringing safe, effective medicines from lab to manufacturing plant to patient. Amgen therapeutics have changed the practice of medicine, helping people around the world in the fight against serious illnesses. With a deep and broad pipeline of potential new medicines, Amgen remains committed to advancing science to dramatically improve people's lives.

Q2 2016 Financial Highlights:

- Total revenues increased 6 percent versus the second quarter of 2015 to $5,688 million, with 5 percent product sales growth driven by Enbrel® (etanercept), Prolia® (denosumab), KYPROLIS® (carfilzomib) and XGEVA® (denosumab).
- Non-GAAP operating income increased 10 percent to $2,812 million and non-GAAP operating margin improved by 2.6 percentage points to 51.4 percent.
- Non-GAAP EPS increased 11 percent to $2.84 driven by higher revenues and higher operating margins.
- The Company generated $2.5 billion of free cash flow.
- 2016 total revenue guidance increased to $22.5-$22.8 billion; non-GAAP EPS guidance increased to $11.10-$11.40.*

$Millions, except EPS and percentages	Q2'16	Q2'15	YOY Δ
Total Revenues.....	$ 5,688	$ 5,370	6%
GAAP Operating Income.....	$ 2,380	$ 2,076	15%
GAAP Net Income.....	$ 1,870	$ 1,653	13%
GAAP EPS.....	$ 2.47	$ 2.15	15%
Non-GAAP Operating Income.....	$ 2,812	$ 2,551	10%
Non-GAAP Net Income.....	$ 2,146	$ 1,977	9%
Non-GAAP EPS.....	$ 2.84	$ 2.57	11%

References in this document to "non-GAAP" measures, measures presented "on a non-GAAP basis" and to "free cash flow" (computed by subtracting capital expenditures from operating cash flow) refer to non-GAAP financial measures. Adjustments to the most directly comparable GAAP financial measures and other items are presented on the attached reconciliations.
** Guidance as of July 27, 2016, and is not being updated at this time.*

AMGEN®

Pioneering science delivers vital medicines™

MESSAGE FROM BOB BRADWAY, CEO

Our business continues to perform well, with our year-to-date revenues up 8% and our non-GAAP earnings per share up 13%. While delivering strong and consistent performance, we're also investing for the long term.

We launched six new products last year, two in cardiovascular and four in cancer. These products are still in the early stages of their life cycle globally, with Repatha® (evolocumab) and KYPROLIS® (carfilzomib) as top priorities. Behind these six recent launches, we have programs nearing key regulatory milestones in neuroscience, bone health, nephrology and inflammation.

With an expected 80 new launches across countries and products this year, and the recent re-acquisition of rights to many of our existing products outside the United States, we are meaningfully expanding our global footprint. To that end, we recently announced that we had partnered with Daiichi Sankyo in an effort to bring Amgen biosimilars to the Japanese market.

We are also excited about the scientific progress we are making in our early research labs. We recently published research pointing to the role of the ASGR1 gene in cardiovascular disease. While this is still early stage, this highlights our unique ability to generate insights and move them forward quickly in the drug development process. We expect insights such as this to be central to our ability to innovate and continue to deliver long-term growth and returns for our shareholders.

While we are focused on the long term, we are also committed to delivering in the short and medium term. Our consistent strong performance has placed us well on our way towards delivering the long-term commitments we made to shareholders for 2018. The transformation program which we began two years ago continues to deliver savings, enabling us to invest in our business and deliver results for our shareholders. Our balance sheet remains strong, and we are active in looking for ways to build our business across our six therapeutic focus areas. We expect to be patient and disciplined in looking for external opportunities that we think can add value for our shareholders.

AMGEN MISSION

To serve patients

AMGEN QUICK FACTS

Headquarters

Thousand Oaks, California

Staff

Approximately 17,900 worldwide

Stock Listing

NASDAQ: AMGN

Chairman, CEO and President

Robert A. Bradway

2015 Financial Highlights

Total revenue: $21.7 billion

Product sales: $20.9 billion

Adj. R&D expense: $3.9 billion

AMGEN PRODUCTS

Aranesp® (darbepoetin alfa)
BLINCYTO® (blinatumomab)
Corlanor® (ivabradine)
Enbrel® (etanercept)
EPOGEN® (epoetin alfa)
IMLYGIC® (talimogene laherparepvec)
KYPROLIS® (carfilzomib)
Neulasta® (pegfilgrastim)
NEUPOGEN® (filgrastim)
Nplate® (romiplostim)
Prolia® (denosumab)
Repatha® (evolocumab)
Sensipar® (cinacalcet)
Vectibix® (panitumumab)
XGEVA® (denosumab)

For product information, including important safety information, visit www.amgen.com.

QUESTIONS?
CONTACT US

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59 Maiden Lane
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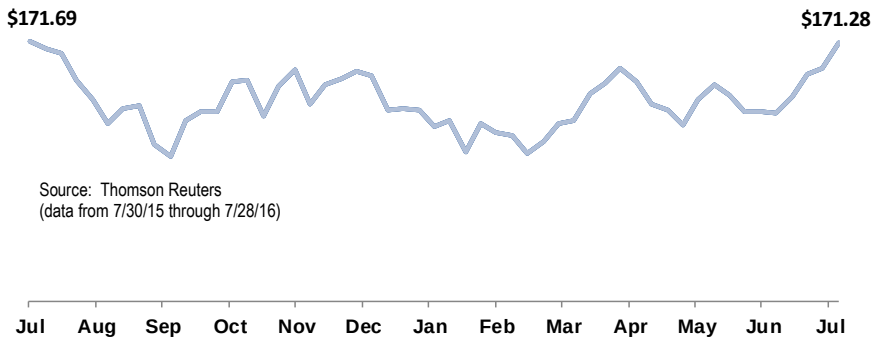
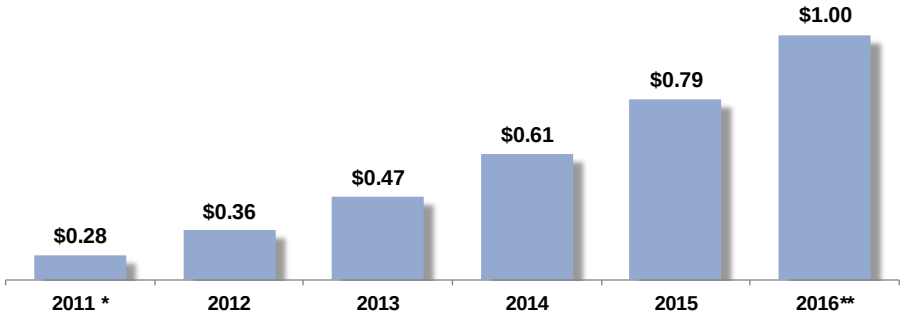
800-937-5449

Stock Price Performance (Last 12 Months)



Source: Thomson Reuters
(data from 7/30/15 through 7/28/16)

Quarterly Per Share Dividend History

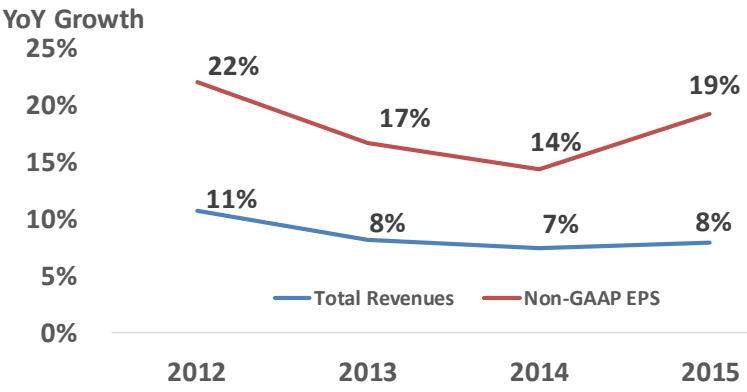


* Dividend initiated in September 2011
** Represents dividends paid in Q1 & Q2, and Q3 dividend payable on Sept. 8, 2016

Key Quarterly News:

Delivering Strong and Consistent Performance

- The second quarter of 2016 was another strong quarter of financial performance, with 6% revenue growth and 11% non-GAAP EPS growth. On a year-to-date basis, we have grown revenues 8% and non-GAAP EPS 13%.
- As shown below, we have consistently grown non-GAAP EPS at a faster pace than revenue growth. We have also grown our non-GAAP operating margin from 39% in 2012 to 48% in 2015.
- On top of strong non-GAAP EPS growth, as of June 30, 2016 our dividend yield was 2.6%. Our quarterly dividend is now $1.00 per share.



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Non-GAAP Financial Measures

Management has presented its operating results for the second quarters of 2016 and 2015 and for the years 2012-2015 in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and on a non-GAAP basis. In addition, management has presented its full year 2016 EPS guidance in accordance with GAAP and on a non-GAAP basis. These non-GAAP financial measures are computed by excluding certain items related to acquisitions, restructuring and certain other items from the related GAAP financial measures. Reconciliations for these non-GAAP financial measures to the most directly comparable GAAP financial measures are attached. Management has also presented Free Cash Flow (FCF) for the second quarter of 2016. FCF is computed by subtracting capital expenditures from operating cash flow, each as determined in accordance with GAAP.

The Company believes that its presentation of non-GAAP financial measures provides useful supplementary information to and facilitates additional analysis by investors. The Company uses certain non-GAAP financial measures to enhance an investor's overall understanding of the financial performance and prospects for the future of the Company's ongoing business activities by facilitating comparisons of results of ongoing business operations among current, past and future periods. The Company believes that FCF provides a further measure of the Company's liquidity.

The Company uses the non-GAAP financial measures set forth in the news release in connection with its own budgeting and financial planning internally to evaluate the performance of the business, including to allocate resources and to evaluate results relative to incentive compensation targets. The non-GAAP financial measures are in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

Forward-Looking Statements

This document contains forward-looking statements that are based on the current expectations and beliefs of Amgen. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including estimates of revenues, operating margins, capital expenditures, cash, other financial metrics, expected legal, arbitration, political, regulatory or clinical results or practices, customer and prescriber patterns or practices, reimbursement activities and outcomes and other such estimates and results. Forward-looking statements involve significant risks and uncertainties, including those discussed below and more fully described in the Securities and Exchange Commission reports filed by Amgen, including our most recent annual report on Form 10-K and any subsequent periodic reports on Form 10-Q and Form 8-K. Unless otherwise noted, Amgen is providing this information as of the date of this document and does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

No forward-looking statement can be guaranteed and actual results may differ materially from those we project. Our results may be affected by our ability to successfully market both new and existing products domestically and internationally, clinical and regulatory developments involving current and future products, sales growth of recently launched products, competition from other products including biosimilars, difficulties or delays in manufacturing our products and global economic conditions. In addition, sales of our products are affected by pricing pressure, political and public scrutiny and reimbursement policies imposed by third-party payers, including governments, private insurance plans and managed care providers and may be affected by regulatory, clinical and guideline developments and domestic and international trends toward managed care and healthcare cost containment. Furthermore, our research, testing, pricing, marketing and other operations are subject to extensive regulation by domestic and foreign government regulatory authorities. We or others could identify safety, side effects or manufacturing problems with our products after they are on the market. Our business may be impacted by government investigations, litigation and product liability claims. In addition, our business may be impacted by the adoption of new tax legislation or exposure to additional tax liabilities. If we fail to meet the compliance obligations in the corporate integrity agreement between us and the U.S. government, we could become subject to significant sanctions. Further, while we routinely obtain patents for our products and technology, the protection offered by our patents and patent applications may be challenged, invalidated or circumvented by our competitors, or we may fail to prevail in present and future intellectual property litigation. We perform a substantial amount of our commercial manufacturing activities at a few key facilities and also depend on third parties for a portion of our manufacturing activities, and limits on supply may constrain sales of certain of our current products and product candidate development. In addition, we compete with other companies with respect to many of our marketed products as well as for the discovery and development of new products. Discovery or identification of new product candidates cannot be guaranteed and movement from concept to product is uncertain; consequently, there can be no guarantee that any particular product candidate will be successful and become a commercial product. Further, some raw materials, medical devices and component parts for our products are supplied by sole third-party suppliers. The discovery of significant problems with a product similar to one of our products that implicate an entire class of products could have a material adverse effect on sales of the affected products and on our business and results of operations. Our efforts to acquire other companies or products and to integrate the operations of companies we have acquired may not be successful. We may not be able to access the capital and credit markets on terms that are favorable to us, or at all. We are increasingly dependent on information technology systems, infrastructure and data security. Our stock price is volatile and may be affected by a number of events. Our business performance could affect or limit the ability of our Board of Directors to declare a dividend or our ability to pay a dividend or repurchase our common stock.

Amgen Inc.
Reconciliations of GAAP to Non-GAAP Operating Margin, Net Income and EPS
(In millions)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
GAAP operating income	$ 2,380	$ 2,076	$ 4,782	$ 4,098
Acquisition-related expenses **(a)**	338	341	772	676
Certain net charges pursuant to our restructuring initiative **(b)**	16	63	12	155
Expense related to a legal proceeding	78	71	105	71
Total adjustments to operating income	432	475	889	902
Non-GAAP operating income	$ 2,812	$ 2,551	$ 5,671	$ 5,000
Product sales	$ 5,474	$ 5,225	$ 10,713	$ 10,099
GAAP operating margin	43.5%	39.7%	44.6%	40.6%
Impact of total adjustments to operating income	7.9%	9.1%	8.3%	8.9%
Non-GAAP operating margin	51.4%	48.8%	52.9%	49.5%
GAAP net income	$ 1,870	$ 1,653	$ 3,770	$ 3,276
Adjustments to net income:				
Adjustments to operating income	432	475	889	902
Income tax effect of the above adjustments **(c)**	(146)	(151)	(285)	(290)
Other income tax adjustments **(d)**	(10)	-	(25)	-
Total adjustments to net income	276	324	579	612
Non-GAAP net income	$ 2,146	$ 1,977	$ 4,349	$ 3,888
Weighted-average shares for diluted EPS	756	768	759	769
GAAP diluted EPS	$ 2.47	$ 2.15	$ 4.97	$ 4.26
Non-GAAP diluted EPS	$ 2.84	$ 2.57	$ 5.73	$ 5.06

(a) The adjustments related primarily to non-cash amortization of intangible assets acquired in business combinations. For the six months ended June 30, 2016, the adjustments also included a $73-million charge resulting from the reacquisition of Prolia®, XGEVA® and Vectibix® license agreements in certain markets from Glaxo Group Limited.

(b) The adjustments related primarily to severance expenses.

(c) The tax effect of the adjustments between our GAAP and non-GAAP 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 six months ended June 30, 2016, were 33.8% and 32.1%, respectively, compared with 31.8% and 32.2% for the corresponding periods of the prior year.

(d) The adjustments related to certain prior period items excluded from non-GAAP earnings, primarily the impact from the adoption of ASU 2016-09 related to stock options that were previously excluded from non-GAAP measures.

Reconciliations of GAAP to Non-GAAP Measures
(In millions)
(Unaudited)

	Three months ended June 30,		
	2016	2015	
Net cash provided by operating activities	$ 2,677	$ 3,284	**(a)**
Net cash used in investing activities	(657)	(2,359)	
Net cash (used in) provided by financing activities	(2,286)	6	
(Decrease) increase in cash and cash equivalents	(266)	931	
Cash and cash equivalents at beginning of period	2,896	2,864	
Cash and cash equivalents at end of period	$ 2,630	$ 3,795	

	Three months ended June 30,		
	2016	2015	
Net cash provided by operating activities	$ 2,677	$ 3,284	**(a)**
Capital expenditures	(188)	(133)	
Free cash flow	$ 2,489	$ 3,151	

(a) Restated to include $470 million for the three months ended June 30, 2015, which was previously included in Net cash (used in) provided by financing activities, as a result of the adoption of ASU 2016-09.

	Year ended December 31, 2015
GAAP research and development expenses	$ 4,070
Adjustments to research and development expenses:	
Acquisition-related expenses **(b)**	(89)
Certain charges pursuant to our restructuring initiative	(64)
Total adjustments to research and development expenses	(153)
Non-GAAP research and development expenses	$ 3,917

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

Amgen Inc.
Reconciliations of GAAP to Non-GAAP Operating Income and Margin
($ In millions)
(Unaudited)

	Year ended December 31, 2015	Year ended December 31, 2012
GAAP operating income	$ 8,470	$ 5,577
Adjustments to operating income:		
Acquisition-related expenses **(a)**	1,377	470
Certain charges pursuant to our restructuring and other cost savings initiatives **(b)**	114	347
Expense/(benefit) related to various legal proceedings	91	64
Stock option expense	-	59
Total adjustments to operating income	1,582	940
Non-GAAP operating income	$ 10,052	$ 6,517
Product sales	$ 20,944	$ 16,639
GAAP operating margin	40.4%	33.5%
Impact of total adjustments to operating income	7.6%	5.7%
Non-GAAP operating margin	48.0%	39.2%

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

(b) The adjustments related primarily to severance, as well as accelerated depreciation and other charges related to the closure of our facilities. 2015 also included gains recognized on the sale of assets related to our site closures.

Reconciliations of GAAP to Non-GAAP Diluted Earnings Per Share
(Unaudited)

	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
GAAP earnings per share (diluted)	$ 9.06	$ 6.70	$ 6.64	$ 5.52	$ 4.04
Adjustments to GAAP earnings per share (a):					
Acquisition-related expenses **(b)**	1.21	1.34	0.91	0.42	0.24
Certain charges pursuant to our restructuring and other cost savings initiatives **(c)**	0.11	0.52	0.06	0.31	0.12
Expense related to various legal proceedings	0.10	-	0.02	0.07	0.78
Expense resulting from clarified guidance on branded prescription drug fee **(d)**	-	0.17	-	-	-
Non-cash interest expense associated with our convertible notes	-	-	0.01	0.11	0.10
Stock option expense	-	-	-	0.05	0.06
Other tax adjustments (e)	(0.10)	(0.03)	(0.04)	0.03	(0.01)
Non-GAAP earnings per share (diluted)	$ 10.38	$ 8.70	$ 7.60	$ 6.51	$ 5.33

(a) The above adjustments are presented net of their related per-share tax impact of $0.65, $0.93, $0.49, $0.42 and $0.38 for the years ended December 31, 2015, 2014, 2013, 2012 and 2011, respectively.

(b) To exclude acquisition-related expenses related primarily to non-cash amortization of intangible assets acquired in business combinations.

(c) To exclude expenses related primarily to severance, as well as accelerated depreciation and other charges related to the closure of our facilities. 2015 also included gains recognized on the sale of assets related to our site closures.

(d) To exclude the expense 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.

(e) To exclude the impacts related to certain prior period items excluded from non-GAAP earnings, resolving certain non-routine transfer-pricing and acquisition-related issues with tax authorities, a change in interpretation of tax law and liabilities resultinng from the repatriation of certain foreign earnings, as applicable.

Reconciliation of GAAP to Non-GAAP EPS Guidance
(Unaudited)

	Updated Guidance for the Year Ending December 31, 2016		
GAAP diluted EPS guidance	$ 9.55	-	$ 9.90
Known adjustments to arrive at non-GAAP earnings (a):			
Acquisition-related expenses **(b)**	1.35		
Restructuring charges	0.09	-	0.14
Legal proceeding charge	0.09		
Tax adjustments **(c)**	(0.03)		
Non-GAAP diluted EPS guidance	$ 11.10	-	$ 11.40

(a) The known adjustments are presented net of their related tax impact which amount to approximately $0.71 to $0.73 per share, in the aggregate.

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

(c) The adjustments relate to certain prior period items excluded from non-GAAP earnings.