AMGEN®

Pioneering science delivers vital medicines™

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.

Q4 and Full Year 2016 Financial Highlights:

- For the fourth quarter, total revenues increased 8 percent to $6.0 billion.
- For the full year, total revenues increased 6 percent to $23.0 billion, with 5 percent product sales growth.
- Non-GAAP EPS increased 11 percent in the fourth quarter to $2.89 and 12 percent for the full year to $11.65, driven by higher revenues and higher operating margins.
    - Non-GAAP operating income increased 21 percent in the fourth quarter to $2.9 billion and 14 percent for the full year to $11.4 billion.
- 2017 total revenues guidance of $22.3-$23.1 billion; EPS guidance of $11.80-$12.60 on a non-GAAP basis*.
- The Company generated $9.6 billion of free cash flow for the full year versus $9.1 billion in 2015 driven by higher net income.

$Millions, except EPS and percentages	Q4'16	Q4'15	YOY Δ	FY '16	FY '15	YOY Δ
Total Revenues	$ 5,965	$ 5,536	8%	$ 22,991	$ 21,662	6%
Non-GAAP Operating Income	$ 2,859	$ 2,366	21%	$ 11,446	$ 10,052	14%
Non-GAAP Net Income	$ 2,160	$ 1,985	9%	$ 8,785	$ 7,954	10%
Non-GAAP EPS	$ 2.89	$ 2.61	11%	$ 11.65	$ 10.38	12%

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 February 2, 2017, and is not being updated at this time.*

MESSAGE FROM BOB BRADWAY, CEO

I am pleased to share the exciting news that we have positive results from our Repatha® (evolocumab) cardiovascular outcomes trial. The trial met its primary composite and key secondary composite endpoints and importantly, there were no new safety findings in the trial. We look forward to sharing the data from this rigorous ~27,500 patient outcome study at the American College of Cardiology meeting in mid-March and to using the data from our entire comprehensive clinical development program for this molecule to prove the value of this innovative therapy to the healthcare system. Investment in innovation and a stronger conviction to use information available from human genetics to guide that investment are at the core of our strategy. These results for Repatha are encouraging on both dimensions of our strategy and also underscore our confidence in our ability to drive our long-term growth.

We made substantial progress on our priorities for 2016 with continued solid execution across the business. Our results for the year were strong, with earnings per share growing at twice the rate of revenues, as reflected in our 12% non-GAAP EPS growth and revenue growth of 6%. Our commitment to reshaping the expense base of the business delivered results once more in 2016, with a decrease in non-GAAP operating expenses on a growing business and a 4 percentage point improvement in our non-GAAP operating margin to 52%. Through our transformation efforts, we've been able to reshape the business while continuing to invest for long-term growth.

International expansion is an important element of our long-term growth plan. Consistent with that aspiration, we continued to roll out our launches of new medicines internationally with some 94 new product/country launches in 2016.

Our pipeline is also core to our long-term growth aspiration and we made real progress in 2016. Parsabiv™ (etelcalcetide), in kidney disease, was approved in Europe in 2016 and in the U.S. in early 2017. Two other late-stage products are rapidly approaching the market, with Evenity™ (romosozumab)† for osteoporosis and erenumab for migraine. We believe our biosimilars portfolio will also be a long-term growth driver and we continue to invest in our portfolio of molecules. We achieved U.S. approval of AMJEVITA™, our biosimilar to Humira®, a regulatory filing for our biosimilar to Avastin® and a successful pivotal study for our biosimilar to Herceptin®.

† Trade name provisionally approved by FDA

AMGEN MISSION

To serve patients

AMGEN QUICK FACTS

Headquarters

Thousand Oaks, California

Staff

Approximately 19,200 worldwide

Stock Listing

NASDAQ: AMGN

Chairman, CEO and President

Robert A. Bradway

2016 Financial Highlights

Total revenue: $23.0 billion

Product sales: $21.9 billion

Non-GAAP R&D expense: $3.8 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)
Parsabiv™ (etelcalcetide)
Prolia® (denosumab)
Repatha® (evolocumab)
Sensipar® (cinacalcet)
Vectibix® (panitumumab)
XGEVA® (denosumab)

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

QUESTIONS?

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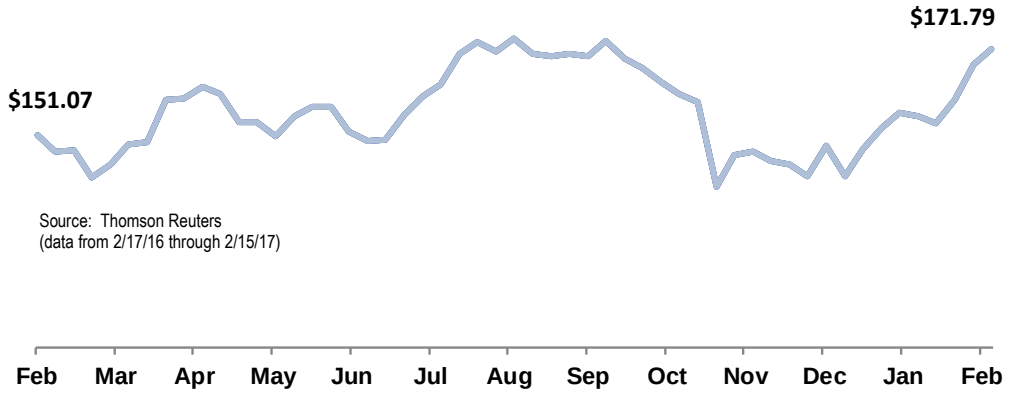
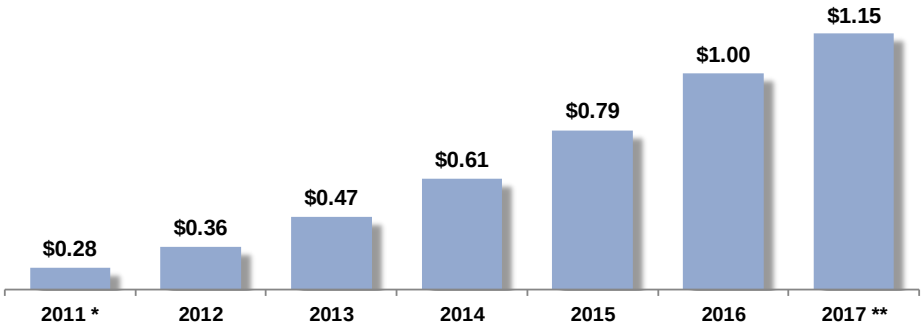
Stock Price Performance (Last 12 Months)



Source: Thomson Reuters
(data from 2/17/16 through 2/15/17)

Quarterly Per Share Dividend History



* Dividend initiated in September 2011
** Represents Q1 dividend payable on Mar. 8, 2017

Key Quarterly News:

Parsabiv™ Now Approved in the U.S. and Europe

- Parsabiv was approved in Europe in November 2016 and in the U.S. in February 2017 for the treatment of secondary hyperparathyroidism (sHPT) in adult patients with chronic kidney disease (CKD) on hemodialysis.
- Parsabiv is the first therapy approved for this condition in 12 years and the only calcimimetic that can be administered intravenously three times a week at the end of the hemodialysis session.
- sHPT is a chronic and serious condition which affects many of the approximately two million people throughout the world who are receiving dialysis, including 468,000 people in the U.S. Approximately 88 percent of CKD patients on hemodialysis will develop sHPT.
- Amgen currently offers the oral medicine Sensipar® (cinacalcet) for sHPT patients, and now Parsabiv offers another treatment option.
- Based on the doses expected to be used in clinical practice, the monthly costs of Parsabiv and Sensipar should be comparable.

Non-GAAP Financial Measures

Management has presented its operating results for the fourth quarters and full years of 2016 and 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 2017 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), which is a non-GAAP financial measure, for 2016 and 2015. 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. Certain of our distributors, customers and payers have substantial purchasing leverage in their dealings with us. 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.

Reconciliation of GAAP EPS Guidance to Non-GAAP
EPS Guidance for the Year Ending December 31, 2017
(Unaudited)

GAAP diluted EPS guidance		$	10.45	-	$	11.31
Known adjustments to arrive at non-GAAP*:						
Acquisition-related expenses	(a)		1.22			
Restructuring charges			0.07	-		0.13
Non-GAAP diluted EPS guidance		$	11.80	-	$	12.60

* The known adjustments are presented net of their related tax impact which amount to approximately $0.61 to $0.64 per share, in the aggregate.

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

Amgen Inc.
Reconciliations of GAAP to Non-GAAP Measures
($ In millions)
(Unaudited)

	Three months ended December 31,		Years ended December 31,	
	2016	**2015**	**2016**	**2015**
GAAP research and development expenses			$ 3,840	
Adjustments to research and development expenses:				
Acquisition-related expenses **(a)**			(78)	
Certain net charges pursuant to our restructuring initiative **(b)**			(7)	
Total adjustments to research and development expenses			(85)	
Non-GAAP research and development expenses			3,755	
GAAP operating expenses			$ 13,197	$ 13,192
Adjustments to operating expenses:				
Adjustments to cost of sales			(1,249)	(1,194)
Adjustments to research and development expenses			(85)	(153)
Adjustments to selling, general and administrative expenses			(185)	(186)
Certain net charges pursuant to our restructuring initiative **(b)**			(24)	58
Expense related to various legal proceedings			(105)	(91)
Acquisition-related adjustments **(a)**			(4)	(16)
Total adjustments to operating expenses			(1,652)	(1,582)
Non-GAAP operating expenses			$ 11,545	$ 11,610
GAAP operating income	$ 2,485	$ 2,033	$ 9,794	$ 8,470
Adjustments to operating income:				
Acquisition-related expenses **(a)**	363	367	1,510	1,377
Certain charges pursuant to our restructuring and other cost savings initiatives **(b)**	11	(52)	37	114
Expense/(benefit) related to various legal proceedings	-	18	105	91
Total adjustments to operating income	374	333	1,652	1,582
Non-GAAP operating income	$ 2,859	$ 2,366	$ 11,446	$ 10,052
Product sales	$ 5,663	$ 5,329	$ 21,892	$ 20,944
GAAP operating margin			44.7%	40.4%
Impact of total adjustments to operating income			7.5%	7.6%
Non-GAAP operating margin			52.3%	48.0%
GAAP net income	$ 1,935	$ 1,800	$ 7,722	$ 6,939
Adjustments to net income:				
Adjustments to operating income	374	333	1,652	1,582
Income tax effect of the above adjustments **(c)**	(113)	(92)	(525)	(496)
Other income tax adjustments **(d)**	(36)	(56)	(64)	(71)
Non-GAAP net income	$ 2,160	$ 1,985	$ 8,785	$ 7,954
Weighted-average shares for diluted EPS	748	761	754	766
GAAP diluted EPS	$ 2.59	$ 2.37	$ 10.24	$ 9.06
Non-GAAP diluted EPS	$ 2.89	$ 2.61	$ 11.65	$ 10.38

(a) For the years ended December 31, 2016 and 2015, the adjustments related primarily to non-cash amortization of intangible assets acquired in business combinations. For 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 asset impairments, accelerated depreciation and other charges related to the closure of our facilities, as well as severance. 2015 also included gains recognized on the sale of assets related to our site closures.

(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.

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

Reconciliations of Cash Flows
(In millions)
(Unaudited)

	Years ended December 31,		
	2016	**2015**	
Net cash provided by operating activities	$ 10,354	$ 9,731	**(a)**
Net cash used in investing activities	(8,658)	(5,547)	
Net cash used in financing activities	(2,599)	(3,771)	
(Decrease) increase in cash and cash equivalents	(903)	413	
Cash and cash equivalents at beginning of period	4,144	3,731	
Cash and cash equivalents at end of period	$ 3,241	$ 4,144	

	Years ended December 31,		
	2016	**2015**	
Net cash provided by operating activities	$ 10,354	$ 9,731	**(a)**
Capital expenditures	(738)	(594)	
Free cash flow	$ 9,616	$ 9,137	

(a) Restated to include $654 million for the year ended December 31, 2015, which was previously included in Net cash used in financing activities, as a result of the adoption of Accounting Standards Update 2016-09, *Improvements to Employee Share-Based Payment Accounting.*