Q2 ’17 EARNINGS CALL

JULY 25, 2017

AMGEN®

SAFE HARBOR STATEMENT

This presentation contains forward-looking statements that are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements about 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 (SEC) reports filed by Amgen, including Amgen's most recent annual report on Form 10-K and any subsequent periodic reports on Form 10-Q and Form 8-K. Please refer to Amgen's most recent Forms 10-K, 10-Q and 8-K for additional information on the uncertainties and risk factors related to our business. Unless otherwise noted, Amgen is providing this information as of July 25, 2017 and expressly disclaims any duty to update information contained in this presentation.

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.

This presentation includes GAAP and non-GAAP financial measures. In accordance with the requirements of SEC Regulation G, reconciliations between these two measures, if these slides are in hard copy, accompany the hard copy presentation or, if these slides are delivered electronically, are available on the Company's website at www.amgen.com within the Investors section.

AGENDA

Introduction	Arvind Sood
Opening Remarks	Bob Bradway
Q2 ’17 Business Results	David Meline
Global Commercial Review	Tony Hooper
R&D Review	Sean Harper
Q&A	All

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BUILDING A FOUNDATION FOR LONG-TERM GROWTH

- **Strong volume-driven growth in more recently launched products**
- **Transformation efforts delivering efficiencies and effectiveness**
- **Strong cash flows and executing on capital allocation program**
- **Improving Repatha® patient access globally is a top priority**
- **KYPROLIS® ASPIRE and ENDEAVOR overall survival data bolster its value proposition**
- **The outlook remains strong and consistent with the guidance we had provided through 2018**

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Q2 ’17 BUSINESS RESULTS

DAVID MELINE
EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER

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15% NON-GAAP EPS GROWTH IN Q2 ’17 DRIVEN BY HIGHER OPERATING MARGINS

$ Millions, Except Non-GAAP EPS

Item	Q2 ’17	Q2 ’16	B/(W) %
Revenue	$5,810	$5,688	2%
Product Sales	5,574	5,474	2%
Other Revenues	236	214	
Non-GAAP Operating Expenses	2,735	2,876	5%
Cost of Sales *% of product sales*	710 *12.7%*	738 *13.5%*	
R&D *% of product sales*	851 *15.3%*	878 *16.0%*	
SG&A *% of product sales*	1,174 *21.1%*	1,260 *23.0%*	
Non-GAAP Operating Income *% of product sales*	3,075 *55.2%*	2,812 *51.4%*	9%
Other Income/(Expense)	(156)	(176)	
Non-GAAP Net Income	$2,410	$2,146	12%
Non-GAAP EPS	$3.27	$2.84	15%
Average Shares	738	756	2%
Non-GAAP Tax Rate	17.4%	18.6%	1.2 pts

All income statement items for Q2 ’17 and/or Q2 ’16, except revenue, other income/(expense) and average shares, are non-GAAP financial measures—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section

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FREE CASH FLOW WAS $2.1B IN Q2 ’17

$ Billions

Cash Flow Data	Q2 ’17	Q2 ’16
Capital Expenditures	$0.2	$0.2
Free Cash Flow*	2.1	2.5
Share Repurchase	1.0	0.6
Dividends Paid	0.8	0.8
Balance Sheet Data	**Q2 ’17**	**Q2 ’16**
Cash and Investments	$39.2	$35.0
Debt Outstanding	35.1	33.2

***Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section**

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2017 GUIDANCE

	Updated Guidance	Previous Guidance
Revenue	$22.5B–$23.0B	$22.3B–$23.1B
Non-GAAP EPS*	$12.15–$12.65	$12.00–$12.60
Non-GAAP Tax Rate*	18.5%–19.5%	18.5%–19.5%
Capital Expenditures	~ $700M	~ $700M

***Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, or amounts pertain to previously issued financial guidance, see reconciliations available at: www.amgen.com within the Investors section**

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GLOBAL COMMERCIAL REVIEW

TONY HOOPER
EXECUTIVE VICE PRESIDENT,
GLOBAL COMMERCIAL OPERATIONS

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Q2 ’17 GLOBAL COMMERCIAL REVIEW

$ Millions, Net Sales	Q2 ’17			Q2 ’16	YoY △
	U.S.	ROW	Total	Total	Total
Prolia®	$326	$179	$505	$441	15%
KYPROLIS®	140	71	211	172	23%
XGEVA®	292	103	395	381	4%
Nplate®	99	65	164	142	15%
Vectibix®	62	106	168	160	5%
Neulasta®	937	150	1,087	1,149	(5%)
NEUPOGEN®	90	47	137	196	(30%)
Enbrel®	1,411	55	1,466	1,484	(1%)
Aranesp®	288	247	535	504	6%
EPOGEN®	292	0	292	331	(12%)
Sensipar®/Mimpara®	342	85	427	389	10%
Repatha®	60	23	83	27	*
BLINCYTO®	28	15	43	30	43%
Other†	19	42	61	68	(10%)
Total Product Sales	$4,386	$1,188	$5,574	$5,474	2%
Total Revenues			$5,810	$5,688	2%

*Change in excess of 100%

†Other includes Bergamo, MN Pharma, IMLYGIC® and Corlanor®

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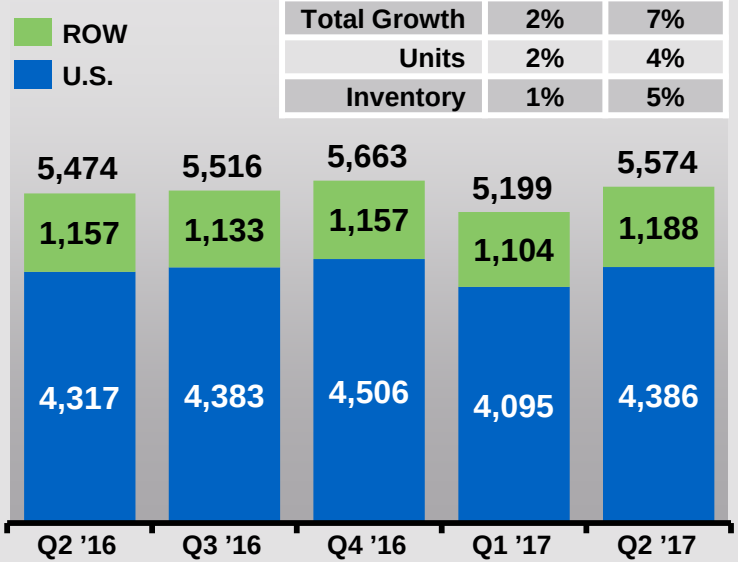
Q2 ’17 PRODUCT SALES INCREASED 2% YOY

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		2%	7%
Units		2%	4%
Inventory		1%	5%



Highlights

- Volume-driven growth with more recently launched products, including Prolia®, Repatha® and KYPROLIS®
- International sales grew 8%, excluding the negative impact of foreign exchange,* with double-digit volume growth in Europe

*Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section; Note: Inventory represents wholesaler and, based on prescription data for Enbrel® and Sensipar®, end-user inventories

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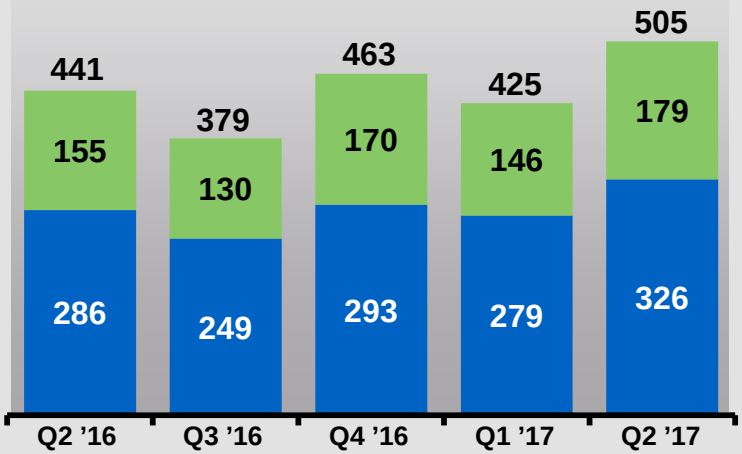
Q2 ’17 PROLIA® SALES GREW 15% YOY

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		15%	19%
Units		18%	18%
Inventory		(1%)	1%



Highlights

- New patient starts and sustained strong repeat injection rates driving YoY growth
  - Share gains globally
- Q2 and Q4 are typically the strongest quarters
- Expect Prolia® to remain a significant growth driver for the foreseeable future
- Large unmet need of patients still at risk for fracture

Note: Inventory represents wholesaler inventories

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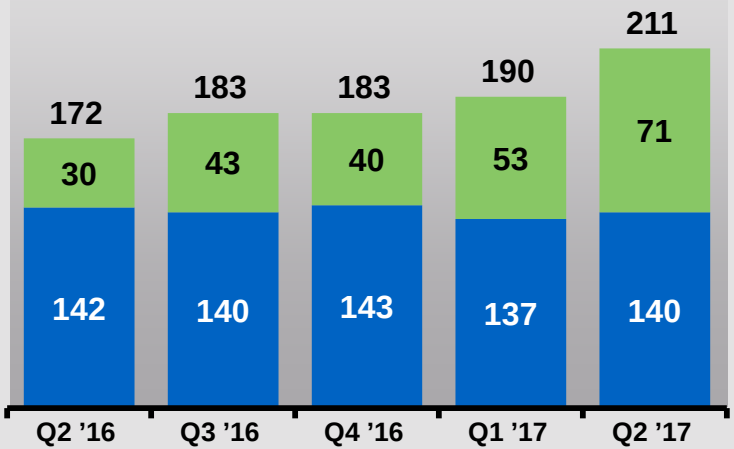
Q2 ’17 KYPROLIS® SALES GREW 23% YOY

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		23%	11%
Units		21%	7%
Inventory		2%	1%



Highlights

- Strong YoY unit growth driven by ex-U.S. launches
  - Over 20% ex-U.S. unit growth QoQ
- KYPROLIS® has now demonstrated overall survival improvement in both the ENDEAVOR and ASPIRE studies
- Focused on displacing VELCADE® in second-line multiple myeloma

Note: Inventory represents wholesaler inventories

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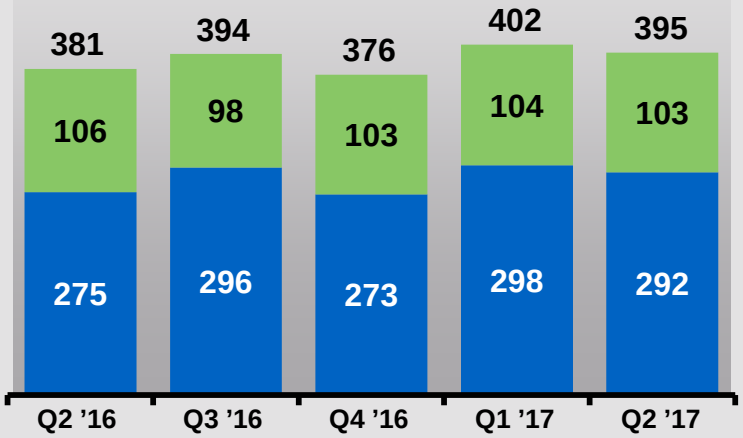
XGEVA® (denosumab)

Q2 ’17 XGEVA® SALES GREW 4% YOY

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		4%	(2%)
Units		6%	(1%)
Inventory		–%	2%



Highlights

- YoY volume growth driven by focus on superior clinical profile* versus the competition
  - QoQ decline impacted by purchases from some larger end customers in Q1 ’17
- Expect to add multiple myeloma indication in 2018

*For the prevention of skeletal-related events in solid tumors
Note: Inventory represents wholesaler inventories

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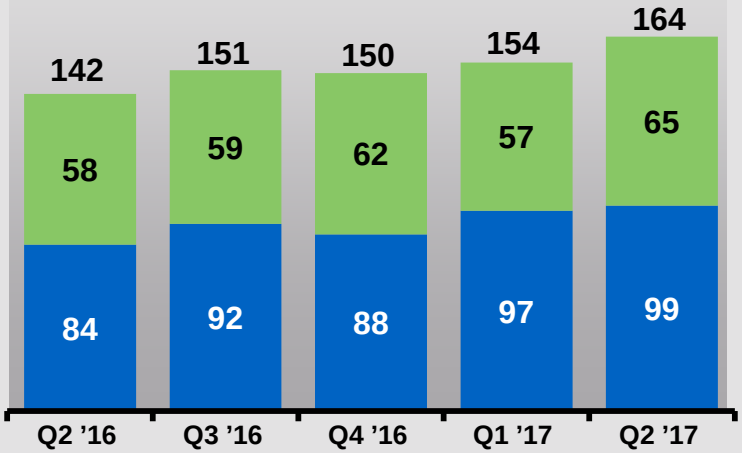
Q2 ’17 NPLATE® SALES GREW 15% YOY

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		15%	6%
Units		11%	5%
Inventory		3%	2%



Highlights

- **YoY sales growth driven by higher volume unit demand**

Note: Inventory represents wholesaler inventories

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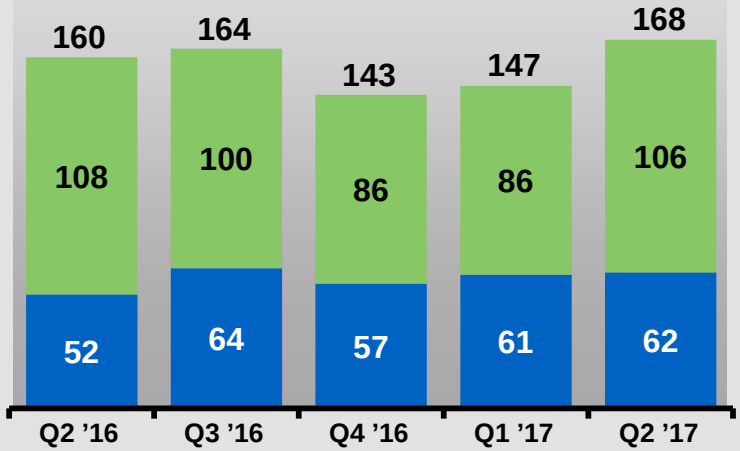
Q2 ’17 VECTIBIX® SALES GREW 5% YOY

Vectibix (panitumumab) Injection for IV Infusion

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		5%	14%
Units		7%	13%
Inventory		1%	–%



Highlights

- YoY sales growth driven primarily by higher unit demand
- QoQ growth benefited from shipments to our partner in Japan
- Over 50% share of U.S. EGFR segment and growing
- U.S. label now includes expanded *RAS* testing

EGFR = epidermal growth factor receptor

Note: Inventory represents wholesaler inventories

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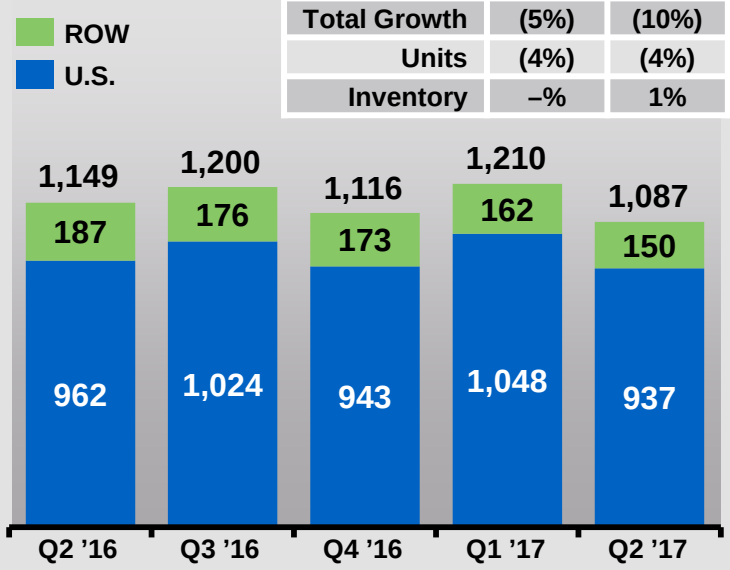
Q2 ’17 NEULASTA® SALES DECLINED 5% YOY

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		(5%)	(10%)
Units		(4%)	(4%)
Inventory		–%	1%



Highlights

- YoY growth impacted by
  - Low single-digit decline in usage of myelosuppressive chemotherapy regimens due to new immunotherapies such as PD-1s
  - Small segment share loss ex-U.S.
- QoQ decline primarily driven by heavier purchasing by certain end customers and favorable accounting adjustments in Q1
- Continued adoption of Neulasta® Onpro® kit, reaching ~ 55% share of U.S. Neulasta® sales in Q2
- Q4 ’16 included $38M order from the U.S. government (BARDA)

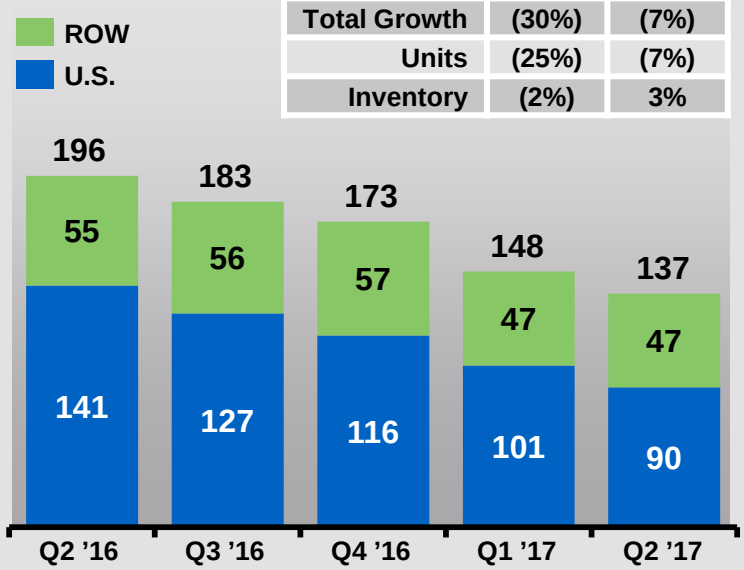
BARDA = Biomedical Advanced Research and Development Authority
Note: Inventory represents wholesaler inventories

Q2 ’17 NEUPOGEN® SALES DECLINED 30% YOY

NEUPOGEN® (FILGRASTIM)

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		(30%)	(7%)
Units		(25%)	(7%)
Inventory		(2%)	3%



Highlights

- **Unit declines driven by short-acting biosimilar competition**
  - **Expect these competitive dynamics to continue**
- **In the U.S., NEUPOGEN® exited Q2 ’17 with ~ 44% share of short-acting segment**

Note: Inventory represents wholesaler inventories

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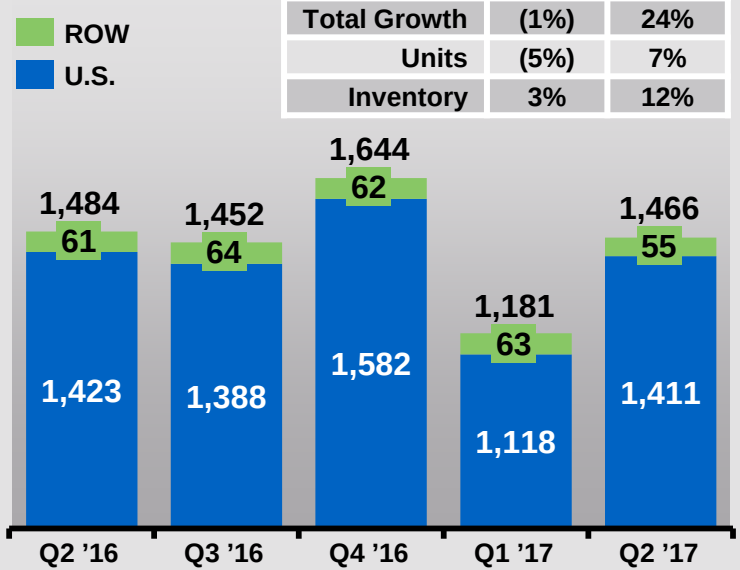
Q2 ’17 ENBREL® SALES DECLINED 1% YOY

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		(1%)	24%
Units		(5%)	7%
Inventory		3%	12%



Highlights

- YoY driven by lower unit demand, offset partially by changes in end-customer inventory and net selling price*
- Improvement in growth rates of rheumatology and dermatology segments in Q2
- ENBREL share trends remain consistent
- Estimated $140M of excess inventory at end customers in Q2

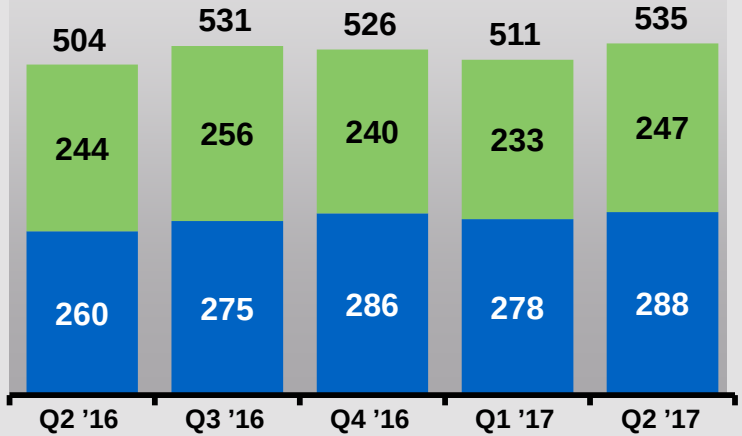
*Net selling price represents the impact of list price changes as well as contracting and access changes
Note: Inventory represents wholesaler and, based on prescription data, end-user inventories

Q2 ’17 ARANESP® SALES GREW 6% YOY

Aranesp (darbepoetin alfa)

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		6%	5%
Units		6%	4%
Inventory		–%	4%



Highlights

- **YoY growth primarily from units, including the benefit from timing of tenders in certain markets outside the U.S.**

Note: Inventory represents wholesaler inventories

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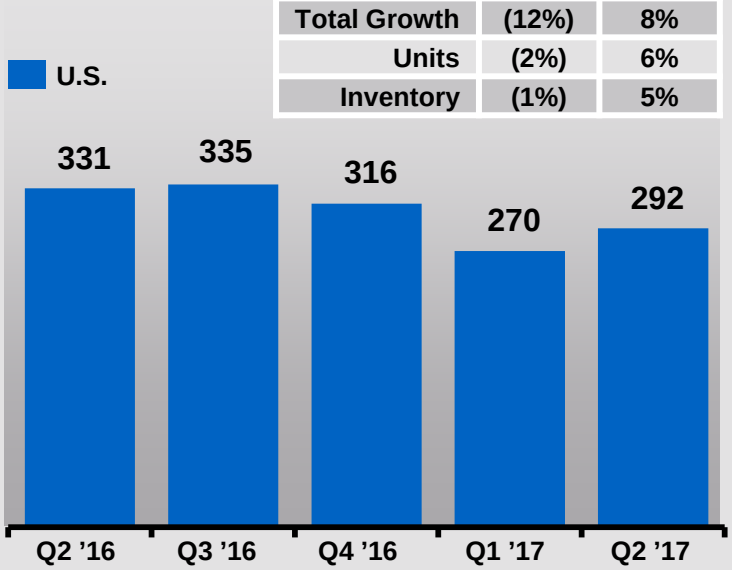
Q2 ’17 EPOGEN® SALES DECLINED 12% YOY

EPOGEN (EPOETIN ALFA) RECOMBINANT

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		(12%)	8%
Units		(2%)	6%
Inventory		(1%)	5%



Highlights

- YoY sales decline driven by net selling price*
  - Primarily due to our extended supply agreement with DaVita
- QoQ growth benefited from timing of purchases by a large end customer

*Net selling price represents the impact of list price changes as well as contracting and access changes

Note: Inventory represents wholesaler inventories

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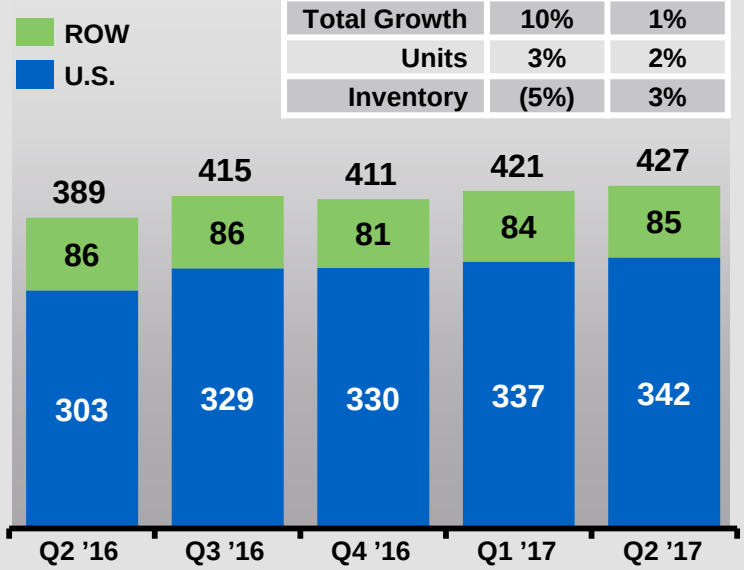
Q2 ’17 SENSIPAR® SALES GREW 10% YOY

Sensipar® (cinacalcet HCl) Tablets 30mg·60mg·90mg

$ Millions, Net Sales

	Q2 ’17	YoY	QoQ
Total Growth		10%	1%
Units		3%	2%
Inventory		(5%)	3%



Highlights

- YoY sales growth driven primarily by net selling price* and, to a lesser extent, unit growth
- Parsabiv™ approved in both Europe and U.S.
  - We continue to await Parsabiv™ CMS reimbursement guidance in the U.S.
  - Launched in seven European countries

CMS = Centers for Medicare and Medicaid Services; *Net selling price represents the impact of list price changes as well as contracting and access changes
Note: Inventory represents wholesaler and, based on prescription data, end-user inventories

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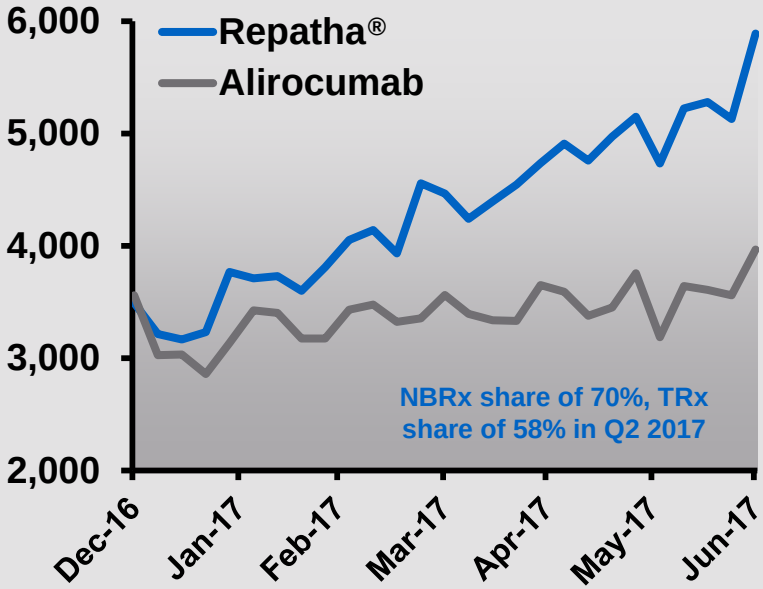
REPATHA® LEADS IN PRESCRIPTION SHARE

Total Weekly U.S. Prescriptions (TRx)



Highlights

- We continue to extend segment leadership in U.S. and Europe
- YoY growth driven by units
  - QoQ growth benefited from adjustments related to prior periods and inventory
- Engaging with payers following positive outcomes data to improve access for appropriate patients
- Look forward to publication of the updated ACC Expert Consensus Decision Pathway

TRx = total prescriptions; NBRx = new-to-brand patients; ACC = American College of Cardiology
Source: IMS; Note: Inventory represents wholesaler and, based on prescription data, end-user inventories

R&D REVIEW

SEAN E. HARPER, M.D.
EXECUTIVE VICE PRESIDENT,
RESEARCH AND DEVELOPMENT

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Q2 ’17 R&D UPDATE

Cardiovascular

- **Repatha®**
  - **Results from the Repatha® cardiovascular outcomes study were submitted to the U.S. Food and Drug Administration (FDA) and European Medicines Agency (EMA)**

Q2 ’17 R&D UPDATE

Oncology

- **KYPROLIS®**
  - **The Phase 3 ASPIRE study showed KYPROLIS® + lenalidomide and dexamethasone reduced the risk of death by 21% and extended overall survival by an additional 7.9 months compared to lenalidomide and dexamethasone in relapsed multiple myeloma patients**
  - **Overall survival data from the Phase 3 ENDEAVOR study of KYPROLIS® + dexamethasone compared to VELCADE® (bortezomib) + dexamethasone in relapsed multiple myeloma patients were submitted to the FDA and EMA**
  - **A Phase 3 study of KYPROLIS® in combination with DARZALEX® (daratumumab) and dexamethasone compared to KYPROLIS® and dexamethasone alone began enrolling patients with relapsed or refractory multiple myeloma**

Q2 ’17 R&D UPDATE

Oncology

- **XGEVA®**
  - **FDA assigned a February 3, 2018 PDUFA target action date in the U.S. for the prevention of SREs in multiple myeloma**
- **BLINCYTO®**
  - **FDA converted BLINCYTO®’s accelerated approval to a full approval, including overall survival data from the Phase 3 TOWER study and expanding the indication to include patients with Philadelphia chromosome-positive, relapsed or refractory B-cell precursor ALL**
- **Vectibix®**
  - **FDA approved a label update for Vectibix® to more precisely molecularly define patients with wild-type *RAS* metastatic colorectal cancer as first-line therapy in combination with FOLFOX and as monotherapy following disease progression after prior treatment with fluoropyrimidine, oxaliplatin and irinotecan-containing chemotherapy**

PDUFA = Prescription Drug User Fee Act; SRE = skeletal-related event; ALL = acute lymphoblastic leukemia

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Q2 ’17 R&D UPDATE

Bone Health

- **EVENITY™ (romosozumab)**
  - **The Phase 3 ARCH study in postmenopausal women with osteoporosis met primary and key secondary endpoints. An imbalance in positively adjudicated cardiovascular serious adverse events was observed as a new safety signal**
  - **The FDA issued a complete response letter for the EVENITY™ application that was based on data from the Phase 3 placebo-controlled FRAME study in postmenopausal women with osteoporosis. The resubmission will include data from the Phase 3 ARCH study and the Phase 3 BRIDGE study evaluating EVENITY™ in men with osteoporosis, in addition to the Phase 3 FRAME study**

EVENITY™ trade name provisionally approved by FDA, developed in collaboration with UCB globally, as well as our joint venture partner Astellas in Japan

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Q2 ’17 R&D UPDATE

Neuroscience

- **Aimovig™ (erenumab)**
  - **A BLA was submitted to FDA for the prevention of migraine based on data from pivotal studies in patients with episodic and chronic migraine. In July, FDA accepted the BLA and assigned a May 17, 2018 PDUFA target action date**

BLA = biologics license application
Aimovig™ trade name provisionally approved by FDA, developed in collaboration with Novartis AG
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KEY PIPELINE MILESTONES

Clinical Program	Indication	Projected Milestones
Repatha®	Hyperlipidemia	Regulatory reviews (CV outcomes data)
KYPROLIS®	Relapsed or refractory multiple myeloma	Regulatory reviews (ENDEAVOR OS data) Regulatory submissions (ASPIRE OS data)
XGEVA®	Prevention of SREs in multiple myeloma	Regulatory reviews
EVENITY™ (romosozumab)	Postmenopausal osteoporosis	Regulatory submissions
Aimovig™ (erenumab)	Migraine prevention	U.S. regulatory review
ABP 215 biosimilar bevacizumab (Avastin®)	Oncology	Regulatory reviews
ABP 980 biosimilar trastuzumab (Herceptin®)	Oncology	U.S. regulatory submission

CV = cardiovascular; OS = overall survival; EVENITY™ trade name provisionally approved by FDA, developed in collaboration with UCB globally, as well as our joint venture partner Astellas in Japan; Aimovig™ trade name provisionally approved by FDA, developed in collaboration with Novartis AG

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Q2 ’17 EARNINGS CALL

JULY 25, 2017

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RECONCILIATIONS

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

	Three months ended June 30,		Six months ended June 30,	
	2017	**2016**	**2017**	**2016**
Revenues:				
Product sales	$ 5,574	$ 5,474	$ 10,773	$ 10,713
Other revenues	236	214	501	502
Total revenues	5,810	5,688	11,274	11,215
Operating expenses:				
Cost of sales	1,024	1,050	2,020	2,068
Research and development	873	900	1,642	1,772
Selling, general and administrative	1,209	1,292	2,273	2,495
Other	6	66	50	98
Total operating expenses	3,112	3,308	5,985	6,433
Operating income	2,698	2,380	5,289	4,782
Interest expense, net	321	313	647	607
Interest and other income, net	165	137	360	287
Income before income taxes	2,542	2,204	5,002	4,462
Provision for income taxes	391	334	780	692
Net income	$ 2,151	$ 1,870	$ 4,222	$ 3,770
Earnings per share:				
Basic	$ 2.93	$ 2.49	$ 5.74	$ 5.01
Diluted	$ 2.91	$ 2.47	$ 5.71	$ 4.97
Weighted average shares used in calculation of earnings per share:				
Basic	734	751	736	753
Diluted	738	756	740	759

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

	June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	$ 39,227	$ 38,085
Trade receivables, net	3,560	3,165
Inventories	2,961	2,745
Other current assets	2,694	2,015
Total current assets	48,442	46,010
Property, plant and equipment, net	4,980	4,961
Intangible assets, net	9,561	10,279
Goodwill	14,766	14,751
Other assets	1,838	1,625
Total assets	$ 79,587	$ 77,626
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 6,356	$ 6,801
Short-term borrowings and current portion of long-term debt	1,459	4,403
Total current liabilities	7,815	11,204
Long-term debt	33,603	30,193
Long-term deferred tax liabilities	2,299	2,436
Long-term tax liabilities	2,605	2,419
Other noncurrent liabilities	1,543	1,499
Stockholders' equity	31,722	29,875
Total liabilities and stockholders' equity	$ 79,587	$ 77,626
Shares outstanding	731	738

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

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
GAAP cost of sales	$ 1,024	$ 1,050	$ 2,020	$ 2,068
Adjustments to cost of sales:				
Acquisition-related expenses **(a)**	(314)	(312)	(628)	(623)
Total adjustments to cost of sales	(314)	(312)	(628)	(623)
Non-GAAP cost of sales	$ 710	$ 738	$ 1,392	$ 1,445
GAAP cost of sales as a percentage of product sales	18.4%	19.2%	18.8%	19.3%
Acquisition-related expenses **(a)**	-5.7	-5.7	-5.9	-5.8
Non-GAAP cost of sales as a percentage of product sales	12.7%	13.5%	12.9%	13.5%
GAAP research and development expenses	$ 873	$ 900	$ 1,642	$ 1,772
Adjustments to research and development expenses:				
Acquisition-related expenses **(a)**	(19)	(19)	(38)	(38)
Certain net charges pursuant to our restructuring initiative	(3)	(3)	(5)	2
Total adjustments to research and development expenses	(22)	(22)	(43)	(36)
Non-GAAP research and development expenses	$ 851	$ 878	$ 1,599	$ 1,736
GAAP research and development expenses as a percentage of product sales	15.7%	16.4%	15.2%	16.5%
Acquisition-related expenses **(a)**	-0.3	-0.3	-0.3	-0.3
Certain net charges pursuant to our restructuring initiative	-0.1	-0.1	-0.1	0.0
Non-GAAP research and development expenses as a percentage of product sales	15.3%	16.0%	14.8%	16.2%
GAAP selling, general and administrative expenses	$ 1,209	$ 1,292	$ 2,273	$ 2,495
Adjustments to selling, general and administrative expenses:				
Acquisition-related expenses **(b)**	(32)	(27)	(57)	(128)
Certain net charges pursuant to our restructuring initiative	-	(5)	-	(4)
Other	(3)	-	(3)	-
Total adjustments to selling, general and administrative expenses	(35)	(32)	(60)	(132)
Non-GAAP selling, general and administrative expenses	$ 1,174	$ 1,260	$ 2,213	$ 2,363
GAAP selling, general and administrative expenses as a percentage of product sales	21.7%	23.6%	21.1%	23.3%
Acquisition-related expenses **(b)**	-0.5	-0.5	-0.6	-1.2
Certain net charges pursuant to our restructuring initiative	0.0	-0.1	0.0	0.0
Other	-0.1	0.0	0.0	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales	21.1%	23.0%	20.5%	22.1%
GAAP operating expenses	$ 3,112	$ 3,308	$ 5,985	$ 6,433
Adjustments to operating expenses:				
Adjustments to cost of sales	(314)	(312)	(628)	(623)
Adjustments to research and development expenses	(22)	(22)	(43)	(36)
Adjustments to selling, general and administrative expenses	(35)	(32)	(60)	(132)
Certain net charges pursuant to our restructuring initiative **(c)**	(9)	(8)	(46)	(10)
Expense related to various legal proceedings	-	(78)	-	(105)
Acquisition-related adjustments	3	20	(4)	17
Total adjustments to operating expenses	(377)	(432)	(781)	(889)
Non-GAAP operating expenses	$ 2,735	$ 2,876	$ 5,204	$ 5,544
GAAP operating income	$ 2,698	$ 2,380	$ 5,289	$ 4,782
Adjustments to operating expenses	377	432	781	889
Non-GAAP operating income	$ 3,075	$ 2,812	$ 6,070	$ 5,671
GAAP operating income as a percentage of product sales	48.4%	43.5%	49.1%	44.6%
Adjustments to cost of sales	5.7	5.7	5.9	5.8
Adjustments to research and development expenses	0.4	0.4	0.4	0.3
Adjustments to selling, general and administrative expenses	0.6	0.6	0.6	1.2
Certain net charges pursuant to our restructuring initiative **(c)**	0.2	0.2	0.3	0.2
Expense related to various legal proceedings	0.0	1.4	0.0	1.0
Acquisition-related adjustments	-0.1	-0.4	0.0	-0.2
Non-GAAP operating income as a percentage of product sales	55.2%	51.4%	56.3%	52.9%
GAAP income before income taxes	$ 2,542	$ 2,204	$ 5,002	$ 4,462
Adjustments to operating expenses	377	432	781	889
Non-GAAP income before income taxes	$ 2,919	$ 2,636	$ 5,783	$ 5,351
GAAP provision for income taxes	$ 391	$ 334	$ 780	$ 692
Adjustments to provision for income taxes:				
Income tax effect of the above adjustments to operating expenses **(d)**	117	146	236	285
Other income tax adjustments **(e)**	1	10	24	25
Total adjustments to provision for income taxes	118	156	260	310
Non-GAAP provision for income taxes	$ 509	$ 490	$ 1,040	$ 1,002
GAAP tax rate as a percentage of income before taxes	15.4%	15.2%	15.6%	15.5%
Adjustments to provision for income taxes:				
Income tax effect of the above adjustments to operating expenses **(d)**	2.0	3.0	2.0	2.7
Other income tax adjustments **(e)**	0.0	0.4	0.4	0.5
Total adjustments to provision for income taxes	2.0	3.4	2.4	3.2
Non-GAAP tax rate as a percentage of income before taxes	17.4%	18.6%	18.0%	18.7%
GAAP net income	$ 2,151	$ 1,870	$ 4,222	$ 3,770
Adjustments to net income:				
Adjustments to income before income taxes, net of the income tax effect	260	286	545	604
Other income tax adjustments **(e)**	(1)	(10)	(24)	(25)
Total adjustments to net income	259	276	521	579
Non-GAAP net income	$ 2,410	$ 2,146	$ 4,743	$ 4,349

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

The following table presents the computations for GAAP and non-GAAP diluted EPS.

	Three months ended June 30, 2017		Three months ended June 30, 2016	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	$ 2,151	$ 2,410	$ 1,870	$ 2,146
Weighted-average shares for diluted EPS	738	738	756	756
Diluted EPS	$ 2.91	$ 3.27	$ 2.47	$ 2.84

	Six months ended June 30, 2017		Six months ended June 30, 2016	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	$ 4,222	$ 4,743	$ 3,770	$ 4,349
Weighted-average shares for diluted EPS	740	740	759	759
Diluted EPS	$ 5.71	$ 6.41	$ 4.97	$ 5.73

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

(b) For the three and six months ended June 30, 2017, as well as the three months ended June 30, 2016, 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 related primarily to a $73-million charge resulting from the reacquisition of Prolia®, XGEVA® and Vectibix® license agreements in certain markets from Glaxo Group Limited, as well as non-cash amortization of intangible assets acquired in business combinations.

(c) For the six months ended June 30, 2017, the adjustments related primarily to severance expenses associated with our restructuring initiative.

(d) 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, 2017, were 31.0% and 30.2%, respectively, compared with 33.8% and 32.1% for the corresponding periods of the prior year.

(e) The adjustments related to certain acquisition items and prior period items excluded from GAAP earnings.

Amgen Inc.
Reconciliations of Cash Flows
(In millions)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net cash provided by operating activities	$ 2,326	$ 2,677	$ 4,711	$ 4,592
Net cash used in investing activities	(1,813)	(657)	(1,970)	(5,047)
Net cash used in financing activities	(1,242)	(2,286)	(3,353)	(1,059)
Decrease in cash and cash equivalents	(729)	(266)	(612)	(1,514)
Cash and cash equivalents at beginning of period	3,358	2,896	3,241	4,144
Cash and cash equivalents at end of period	$ 2,629	$ 2,630	$ 2,629	$ 2,630

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net cash provided by operating activities	$ 2,326	$ 2,677	$ 4,711	$ 4,592
Capital expenditures	(185)	(188)	(353)	(344)
Free cash flow	$ 2,141	$ 2,489	$ 4,358	$ 4,248

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

GAAP diluted EPS guidance		$ 10.79	-	$ 11.37
Known adjustments to arrive at non-GAAP*:				
Acquisition-related expenses	(a)	1.24		
Restructuring charges		0.07	-	0.15
Tax adjustments	(b)	(0.03)		
Non-GAAP diluted EPS guidance		$ 12.15	-	$ 12.65

* The known adjustments are presented net of their related tax impact which amount to approximately $0.60 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 relate to certain prior period items excluded from GAAP earnings.

Our GAAP diluted EPS guidance does not include the effect of non-GAAP adjustments triggered by events that may occur subsequent to this press release such as acquisitions, asset impairments, litigation and changes in the fair value of our contingent consideration.

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

	2017		
GAAP tax rate guidance	16.0%	-	18.0%
Tax rate effect of known adjustments discussed above	1.5%	-	2.5%
Non-GAAP tax rate guidance	18.5%	-	19.5%

Amgen Inc.
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.

Q2 ’17 EARNINGS CALL

JULY 25, 2017

AMGEN®