

## Appendix I

Amgen Inc.  
**Condensed Consolidated Statements of Operations and**  
**Reconciliation of GAAP Earnings to "Adjusted" Earnings - Excluding Stock Option Expense**  
(In millions, except per share data)  
(Unaudited)

	Three Months Ended March 31, 2006			Three Months Ended March 31, 2005		
	GAAP	Adjustments	"Adjusted", Excluding Stock Option Expense	GAAP	Adjustments	"Adjusted", Excluding Stock Option Expense
<b>Revenues:</b>						
Product sales.....	\$ 3,127	\$ -	\$ 3,127	\$ 2,735	\$ -	\$ 2,735
Other revenues.....	90	-	90	98	-	98
Total revenues.....	<u>3,217</u>	<u>-</u>	<u>3,217</u>	<u>2,833</u>	<u>-</u>	<u>2,833</u>
<b>Operating expenses:</b>						
Cost of sales (excludes amortization of acquired intangible assets presented below)...	552	-	552	489	-	489
Research and development.....	655	(29)	(1) 624	524	(3) (2)	521
		(2)	(2)			
Selling, general and administrative.....	689	(37)	(1) 652	577	-	577
Amortization of intangible assets.....	87	(87)	(3) -	87	(87) (3)	-
Total operating expenses.....	<u>1,983</u>	<u>(155)</u>	<u>1,828</u>	<u>1,677</u>	<u>(90)</u>	<u>1,587</u>
Operating income.....	1,234	155	1,389	1,156	90	1,246
Interest and other income (expense), net.....	80	-	80	(10)	20 (4)	10
Income before income taxes.....	1,314	155	1,469	1,146	110	1,256
Provision for income taxes.....	313	55	(5) 368	292	40 (5)	332
Net income.....	<u>\$ 1,001</u>	<u>\$ 100</u>	<u>\$ 1,101</u>	<u>\$ 854</u>	<u>\$ 70</u>	<u>\$ 924</u>
<b>Earnings per share:</b>						
Basic .....	\$ 0.83		\$ 0.92	\$ 0.68		\$ 0.74
Diluted (6) .....	\$ 0.82		\$ 0.91 (7)	\$ 0.67		\$ 0.72 (7)
<b>Shares used in calculation of earnings per share:</b>						
Basic .....	1,202		1,202	1,249		1,249
Diluted (6) .....	1,218		1,214	1,290		1,290

(1) - (7) See explanatory notes on following pages.

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**Amgen Inc.**

**Notes to Reconciliation of GAAP Earnings to "Adjusted" Earnings - Excluding Stock Option Expense**

(In millions, except per share data)

(Unaudited)

- (1) To exclude the impact of stock option expense in accordance with Statement of Financial Accounting Standards ("SFAS") No. 123R. Effective January 1, 2006, Amgen adopted SFAS No. 123R and elected not to apply this new accounting standard to its prior years' financial statements. Prior to such date, Amgen disclosed in the notes to its financial statements what the related expense and impact to earnings per share (EPS) would have been (i.e. on a pro forma basis) had it elected to expense the fair value of employee stock options in accordance with SFAS No. 123. For the three months ended March 31, 2005, the total pro forma expense for all employee stock options in accordance with SFAS No. 123 was \$103 million, pre-tax, resulting in dilution to GAAP EPS of 6 cents per share on a pro forma basis.
- (2) To exclude the incremental compensation provided to certain Tularik Inc. ("Tularik") employees associated with their retention. The total estimated remaining costs of such incremental compensation is approximately \$10 million, pre-tax.
- (3) To exclude the ongoing, non-cash amortization of acquired intangible assets, primarily ENBREL, related to the Immunex Corporation ("Immunex") acquisition. The annual non-cash charge for 2006 is currently estimated to be approximately \$347 million, pre-tax.
- (4) To exclude the pro rata portion of the debt issuance costs that were immediately charged to interest expense as a result of certain holders of the convertible notes due in 2032 exercising their March 1, 2005 put option and the related convertible notes being repaid in cash.
- (5) To reflect the tax effect of the above adjustments.
- (6) The following table presents the computations for GAAP and "Adjusted" diluted earnings per share, excluding stock option expense, computed under the treasury stock and the "if-converted" methods:

	Three Months Ended March 31, 2006		Three Months Ended March 31, 2005	
	GAAP	"Adjusted", Excluding Stock Option Expense	GAAP	"Adjusted", Excluding Stock Option Expense
Income (Numerator):				
Net income for basic EPS .....	\$ 1,001	\$ 1,101	\$ 854	\$ 924
Adjustment for interest expense on convertible notes, net of tax .....	-	-	5	5
Net income for diluted EPS, after assumed conversion of convertible notes .....	<u>\$ 1,001</u>	<u>\$ 1,101</u>	<u>\$ 859</u>	<u>\$ 929</u>
Shares (Denominator):				
Weighted-average shares for basic EPS .....	1,202	1,202	1,249	1,249
Effect of dilutive securities .....	16 (A)	12 (A)	11	11
Effect of convertible notes, after assumed conversion .....	-	-	30	30
Weighted-average shares for diluted EPS .....	<u>1,218</u>	<u>1,214</u>	<u>1,290</u>	<u>1,290</u>
Diluted earnings per share .....	<u>\$ 0.82</u>	<u>\$ 0.91</u>	<u>\$ 0.67</u>	<u>\$ 0.72</u>

(A) Dilutive securities used to compute "Adjusted" diluted earnings per share for the three months ended March 31, 2006 were computed exclusive of the methodology used to determine dilutive securities under SFAS No. 123R.

(B) On May 6, 2005 and August 17, 2005, in connection with an exchange offer, we modified the terms of substantially all of our convertible notes due in 2032. As a result, if converted, these convertible notes would be settled in 1) cash equal to the lesser of their accreted value at the conversion date or the conversion value, as defined, and 2) shares of common stock, if any, to the extent the conversion value exceeds the accreted value. Accordingly, the convertible notes due in 2032 do not impact diluted earnings per share under the "if-converted" method but rather, they impact diluted earnings per share under the treasury stock method, and only to the extent that the conversion value exceeds the accreted value during any reporting period, requiring such difference, if any, to be potentially settled in shares of common stock.

Amgen Inc.

**Notes to Reconciliation of GAAP Earnings to "Adjusted" Earnings - Excluding Stock Option Expense**

(In millions, except per share data)

(Unaudited)

- (7) Adjusted diluted earnings per share including the impact of stock option expense for the three months ended March 31, 2006 and 2005 is as follows:

	Three Months Ended	
	March 31,	
	2006	2005
Adjusted EPS, excluding stock option expense .....	\$ 0.91	\$ 0.72
Impact of stock option expense .....	<u>(0.04)</u>	<u>(0.06)</u>
Adjusted EPS, including stock option expense .....	<u>\$ 0.87</u>	<u>\$ 0.66</u>

**Amgen Inc.**  
**Product Sales Detail by Product and Geographic Region**  
(In millions)  
(Unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2006</b>	<b>2005</b>
Aranesp <sup>®</sup> - U.S. ....	\$ 596	\$ 447
Aranesp <sup>®</sup> - International .....	297	276
EPOGEN <sup>®</sup> - U.S.....	604	583
Neulasta <sup>®</sup> - U.S. ....	497	416
NEUPOGEN <sup>®</sup> - U.S. ....	191	182
Neulasta <sup>®</sup> - International .....	111	85
NEUPOGEN <sup>®</sup> - International .....	97	112
Enbrel <sup>®</sup> - U.S. ....	629	570
Enbrel <sup>®</sup> - International .....	29	22
Sensipar <sup>®</sup> - U.S. ....	45	24
Sensipar <sup>®</sup> - International .....	16	3
Other product sales - U.S. ....	9	9
Other product sales - International .....	6	6
Total product sales .....	<u>\$ 3,127</u>	<u>\$ 2,735</u>
U.S. ....	\$ 2,571	\$ 2,231
International .....	<u>556</u>	<u>504</u>
	<u>\$ 3,127</u>	<u>\$ 2,735</u>

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

	<u>March 31,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
<b>Assets</b>		
Current assets:		
Cash and marketable securities.....	\$ 7,147 (1)	\$ 5,255
Trade receivables, net.....	1,794	1,769
Inventories.....	1,273	1,258
Other current assets.....	943	953
Total current assets.....	<u>11,157</u>	<u>9,235</u>
Property, plant, and equipment, net.....	5,122	5,038
Intangible assets, net.....	3,646	3,742
Goodwill.....	10,492	10,495
Other assets.....	898	787
Total assets.....	<u>\$ 31,315</u>	<u>\$ 29,297</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 3,620	\$ 3,595
Convertible notes.....	<u>1,763 (2)</u>	<u>-</u>
Total current liabilities.....	5,383	3,595
Deferred tax liabilities.....	1,160	1,163
Convertible notes.....	5,000 (3)	1,759 (2)
Other long-term debt.....	2,198	2,198
Other non-current liabilities.....	183	131
Stockholders' equity.....	<u>17,391</u>	<u>20,451</u>
Total liabilities and stockholders' equity.....	<u>\$ 31,315</u>	<u>\$ 29,297</u>
Shares outstanding.....	1,178	1,224

(1) Included in this amount is \$2.1 billion of cash restricted for use to acquire the outstanding shares of Abgenix in connection with the acquisition, which closed on April 1, 2006.

(2) Holders of our outstanding convertible notes due in 2032 may require the Company to purchase all or a portion of the notes on specific dates as early as March 1, 2007 at the original issuance price plus accrued original issue discount through the purchase date. Accordingly, as of March 31, 2006, these convertible notes have been classified as current liabilities.

Holdes of these notes also had the right to require the Company to purchase all or a portion of the notes on March 1, 2006. However, because the holders of substantially all of the then outstanding convertible notes did not require us to repurchase such notes on this date, these convertible notes were classified as non-current liabilities at December 31, 2005.

(3) In February 2006 we issued \$2.5 billion of convertible notes due in 2011 and \$2.5 billion of convertible notes due in 2013.

**Amgen Inc.**

**Reconciliation of "Adjusted" Earnings Per Share Guidance to GAAP  
Earnings Per Share Guidance for the Year Ended December 31, 2006**

	<u>2006</u>
<b>"Adjusted" earnings per share guidance - excluding stock option expense.....</b>	<b>\$3.60 - \$3.70</b>
<b>Known adjustments to arrive at GAAP earnings:</b>	
Amortization of acquired intangible assets (1) .....	(0.18)
Tularik merger-related incremental compensation (2) .....	(0.01)
Stock option expense (3) .....	(0.12 - 0.14)
Write-off of Abgenix acquired in-process R&D and other merger-related expenses (4).....	-
<b>GAAP earnings per share guidance .....</b>	<b><u>\$3.27 - \$3.39</u></b>

- (1) To exclude the ongoing, non-cash amortization of acquired intangible assets, primarily ENBREL, related to the Immunex acquisition. The total 2006 annual non-cash charge is currently estimated to be approximately \$347 million, pre-tax.
- (2) To exclude the incremental compensation provided to certain Tularik employees associated with their retention.
- (3) To exclude the estimated stock option expense associated with Amgen's adoption of SFAS No. 123R on January 1, 2006.
- (4) In connection with the acquisition of Abgenix on April 1, 2006, Amgen will incur a one-time expense associated with writing off acquired in-process research and development. In addition, Amgen will incur other merger-related expenses. As the final amount of such expenses has not yet been determined, no adjustment is reflected above.