

AMGEN INC.
CONSOLIDATED STATEMENTS OF INCOME
Years ended December 31, 2017, 2016 and 2015
(In millions, except per share data)

	2017	2016	2015
Revenues:			
Product sales	\$ 21,795	\$ 21,892	\$ 20,944
Other revenues	1,054	1,099	718
Total revenues	<u>22,849</u>	<u>22,991</u>	<u>21,662</u>
Operating expenses:			
Cost of sales	4,069	4,162	4,227
Research and development	3,562	3,840	4,070
Selling, general and administrative	4,870	5,062	4,846
Other	375	133	49
Total operating expenses	<u>12,876</u>	<u>13,197</u>	<u>13,192</u>
Operating income	9,973	9,794	8,470
Interest expense, net	1,304	1,260	1,095
Interest and other income, net	<u>928</u>	<u>629</u>	<u>603</u>
Income before income taxes	9,597	9,163	7,978
Provision for income taxes	<u>7,618</u>	<u>1,441</u>	<u>1,039</u>
Net income	<u>\$ 1,979</u>	<u>\$ 7,722</u>	<u>\$ 6,939</u>
Earnings per share:			
Basic	\$ 2.71	\$ 10.32	\$ 9.15
Diluted	\$ 2.69	\$ 10.24	\$ 9.06
Shares used in the calculation of earnings per share:			
Basic	731	748	758
Diluted	735	754	766

See accompanying notes.

AMGEN INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years ended December 31, 2017, 2016 and 2015
(In millions)

	2017	2016	2015
Net income	\$ 1,979	\$ 7,722	\$ 6,939
Other comprehensive (loss) income, net of reclassification adjustments and taxes:			
Foreign currency translation gains (losses)	81	(99)	(247)
Effective portion of cash flow hedges	(288)	(15)	7
Net unrealized (losses) gains on available-for-sale securities	(6)	122	(241)
Other	5	1	9
Other comprehensive (loss) income, net of tax	(208)	9	(472)
Comprehensive income	\$ 1,771	\$ 7,731	\$ 6,467

See accompanying notes.

AMGEN INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2017 and 2016
(In millions, except per share data)

	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,800	\$ 3,241
Marketable securities	37,878	34,844
Trade receivables, net	3,237	3,165
Inventories	2,834	2,745
Other current assets	1,727	2,015
Total current assets	49,476	46,010
Property, plant and equipment, net	4,989	4,961
Intangible assets, net	8,609	10,279
Goodwill	14,761	14,751
Other assets	2,119	1,625
Total assets	\$ 79,954	\$ 77,626
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,352	\$ 917
Accrued liabilities	6,516	5,884
Short-term borrowings and current portion of long-term debt	1,152	4,403
Total current liabilities	9,020	11,204
Long-term debt	34,190	30,193
Long-term deferred tax liabilities	1,166	2,436
Long-term tax liabilities	9,099	2,419
Other noncurrent liabilities	1,238	1,499
Contingencies and commitments		
Stockholders' equity:		
Common stock and additional paid-in capital; \$0.0001 par value per share; 2,750.0 shares authorized; outstanding—722.2 shares in 2017 and 738.2 shares in 2016	30,992	30,784
Accumulated deficit	(5,072)	(438)
Accumulated other comprehensive loss	(679)	(471)
Total stockholders' equity	25,241	29,875
Total liabilities and stockholders' equity	\$ 79,954	\$ 77,626

See accompanying notes.

AMGEN INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2017, 2016 and 2015
(In millions)

	2017	2016	2015
Cash flows from operating activities:			
Net income	\$ 1,979	\$ 7,722	\$ 6,939
Depreciation and amortization	1,955	2,105	2,108
Stock-based compensation expense	329	311	322
Deferred income taxes	(1,330)	183	(607)
Other items, net	334	32	(146)
Changes in operating assets and liabilities, net of acquisitions:			
Trade receivables, net	(58)	(214)	(420)
Inventories	133	(80)	481
Other assets	(24)	(128)	155
Accounts payable	424	(44)	(12)
Accrued income taxes, net	523	(301)	509
Long-term tax liability	6,681	445	409
Other liabilities	231	323	(7)
Net cash provided by operating activities	11,177	10,354	9,731
Cash flows from investing activities:			
Purchases of property, plant and equipment	(664)	(738)	(594)
Cash paid for acquisitions, net of cash acquired	(19)	—	(359)
Purchases of marketable securities	(33,607)	(28,094)	(25,977)
Proceeds from sales of marketable securities	24,240	17,958	18,029
Proceeds from maturities of marketable securities	6,174	2,459	3,527
Proceeds from sales of property, plant and equipment	11	78	274
Other	(159)	(321)	(447)
Net cash used in investing activities	(4,024)	(8,658)	(5,547)
Cash flows from financing activities:			
Net proceeds from issuance of debt	4,476	7,318	3,465
Repayment of debt	(4,405)	(3,725)	(2,400)
Repurchases of common stock	(3,160)	(2,965)	(1,867)
Dividends paid	(3,365)	(2,998)	(2,396)
Settlement of contingent consideration obligations	—	—	(253)
Withholding taxes arising from shares withheld for share-based payments	(191)	(260)	(401)
Other	51	31	81
Net cash used in financing activities	(6,594)	(2,599)	(3,771)
Increase (decrease) in cash and cash equivalents	559	(903)	413
Cash and cash equivalents at beginning of year	3,241	4,144	3,731
Cash and cash equivalents at end of year	\$ 3,800	\$ 3,241	\$ 4,144

See accompanying notes.