

# Amgen posts higher 2Q sales, profit to beat views

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(AP) — Amgen Inc.'s second-quarter net income rose 8 percent as the world's largest biotech company benefited from higher sales for its top-selling drugs and a gain from selling its share of an experimental medicine.

The results Thursday crushed Wall Street expectations, and [Amgen](#) shares jumped in after-hours trading. The company, based in Thousand Oaks, California, also raised its earnings and revenue forecasts for the year.

The maker of osteoporosis drug Prolia and Enbrel for inflammatory disorders said net income was \$1.27 billion, or \$1.61 per share, up from \$1.17 billion, or \$1.25 per share, a year earlier.

Amgen's adjusted results beat the expectations of analysts surveyed by FactSet by 29 cents per share, and revenue came in \$400 million higher than expected.

Excluding one-time items, Amgen's second-quarter [net income](#) was \$1.43 billion, or \$1.83 per share, up from \$1.28 billion, or \$1.37 per share, in 2011's second quarter.

Revenue totaled \$4.48 billion, up 13 percent from \$3.96 billion a year ago.

Robert Bradway, who took over as Amgen's CEO in May, told analysts

on a conference call that Amgen raised its financial forecast due to its strong performance in the first half and momentum from rising sales and promising drugs in development.

He noted Amgen has begun a second late-stage study of a new osteoporosis drug and is planning a late-stage study of a drug to treat a thyroid disorder in kidney disease patients getting dialysis. It's also starting a late-stage study of a cholesterol drug meant for patients who can't bring their bad cholesterol down enough with drugs currently available, such as Lipitor and other statins.

"This was a fantastic quarter. The new CEO's clearly getting things off with a bang," said Edward Jones analyst Judson Clark, adding, "We wouldn't expect that to repeat itself."

Clark said that's because this quarter had a one-time gain of \$206 million, and stock buybacks reduced the number of outstanding shares by 16 percent. The lower share total, in return, increased earnings per share.

The \$206 million payment came from Takeda Pharmaceutical Co. Ltd. The two companies, which have been collaborating since 2008 on an experimental drug called motesanib for a type of lung cancer, changed their agreement, giving Takeda all rights to develop and sell it.

Sales were led by Neulasta and Neupogen, which treat the decline of infection-fighting white blood cells caused by cancer and other disorders. They brought in a total of \$1.35 billion, up 2 percent. Enbrel posted an 11 percent jump in sales, to \$991 million.

Amgen's newest drugs, Prolia and Xgeva, a different dose of the same active ingredient that's for preventing fractures in cancerous bones, brought in \$120 million and \$179 million, respectively.

"There was top-line growth across all the major product lines, in particular for Enbrel," said Credit Suisse analyst Ravi Mehrotra. He added that much of Enbrel's growth came from yet another price increase and it will be harder for Amgen to keep raising the 14-year-old drug's price nearly every year.

During the quarter, Amgen bought back 17 million shares of stock for a total of \$1.2 billion.

The company also raised its adjusted profit forecast for 2012 to \$6.20 to \$6.35, up from its spring forecast of \$5.90 to \$6.15 per share, and said it expects revenue of between \$16.9 billion and \$17.2 billion. Analysts had expected \$6.17 per [share](#) on revenue of \$16.4 billion.

Amgen's shares rose \$3.51, or 4.4 percent, to \$82.80 after hours, on top of a 1.7 percent gain during regular trading.

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