UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-K

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-12477

AMGEN INC.
(Exact name of registrant as specified in its charter)

Delaware	95-3540776
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Amgen Center Drive, Thousand Oaks, California 91320-1799
(Address of principal executive offices) (Zip Code)

(805) 447-1000
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(g) of the Act:

Common stock, $0.0001 par value; preferred share purchase rights;
Contractual contingent payment rights
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [_]

The approximate aggregate market value of voting and non-voting stock held by non-affiliates of the registrant was $60,066,301,000 as of February 14, 2002 (A)

1,047,800,052
(Number of shares of common stock outstanding as of February 14, 2002)

Documents incorporated by reference:

Document	Form 10-K Parts
Definitive 2002 Proxy Statement, to be filed within 120 days of December 31, 2001 (specified portions).....	III

(A) Excludes 12,174,168 shares of common stock held by directors and officers, and any stockholders whose ownership exceeds five percent of the shares outstanding, at February 14, 2002. Exclusion of shares held by any person should not be construed to indicate that such person possesses the power, directly or indirectly, to direct or cause the direction of the management or policies of the registrant, or that such person is controlled by or under common control with the registrant.

PART I

Item 1. BUSINESS

Overview

Amgen Inc. ("Amgen" or the "Company") is a global biotechnology company that discovers, develops, manufactures, and markets human therapeutics based on advances in cellular and molecular biology.

The Company manufactures and markets human therapeutic products including, EPOGEN(R) (Epoetin alfa), NEUPOGEN(R) (Filgrastim), Aranesp(TM) (darbepoetin alfa), and Kineret(TM) (anakinra). EPOGEN(R) stimulates the production of red blood cells and is marketed by Amgen in the United States for the treatment of anemia associated with chronic renal failure in patients on dialysis. NEUPOGEN(R) selectively stimulates the production of neutrophils, one type of white blood cell. The Company markets NEUPOGEN(R) in the United States, countries of the European Union ("EU"), Canada, and Australia for use in decreasing the incidence of infection in patients undergoing myelosuppressive chemotherapy. In addition, NEUPOGEN(R) is marketed in most of these countries for use in increasing neutrophil counts in various other treatment modalities. Aranesp(TM) stimulates the production of red blood cells and is marketed in the United States, most countries in the EU, Australia, and New Zealand for the treatment of anemia associated with chronic renal failure, including patients on dialysis and patients not on dialysis. Kineret(TM) blocks the biologic activity of interleukin-1 ("IL-1"), a substance that mediates inflammatory and immunological responses. Kineret(TM) is marketed in the United States for the reduction of the signs and symptoms of moderately to severely active rheumatoid arthritis, in patients 18 years of age or older who have failed one or more disease modifying antirheumatic drugs.

The Company focuses its research and development efforts on human therapeutics delivered in the form of proteins, monoclonal antibodies, and small molecules in the therapeutic areas of nephrology, cancer, inflammation, and neurology and metabolism. The Company has research facilities in the United States, and has clinical development staff in the United States, the EU, Canada, Australia, and Japan. In addition to internal research and development efforts, the Company has acquired certain product and technology rights and has established research and development collaborations.

Amgen operates commercial manufacturing facilities located in the United States, Puerto Rico, and a packaging and distribution center in The Netherlands. A sales and marketing force is maintained in the United States, the EU, Canada, Australia, and New Zealand. In addition, Amgen has entered into licensing and/or co-promotion agreements to market certain of its products including EPOGEN(R), NEUPOGEN(R), and Aranesp(TM) in certain geographic areas.

The Company was incorporated in California in 1980 and was merged into a Delaware corporation in 1987. Amgen's principal executive offices are located at One Amgen Center Drive, Thousand Oaks, California 91320-1799.

Products

EPOGEN(R) (Epoetin alfa)

EPOGEN(R) (proper name--Epoetin alfa) is Amgen's registered trademark for its recombinant human erythropoietin product, a protein that stimulates red blood cell production. Red blood cells transport oxygen to all cells of the body. Without adequate amounts of erythropoietin, the red blood cell count is reduced, thereby diminishing the ability of the blood to deliver sufficient amounts of oxygen to the body, resulting in anemia. People with chronic renal failure suffer from anemia because they do not produce sufficient amounts of erythropoietin, which is normally produced in healthy kidneys. Amgen promotes EPOGEN(R) for the treatment of anemia associated with chronic renal failure for patients who are on dialysis. EPOGEN(R) is indicated to elevate or maintain the red blood cell level (as determined by hematocrit or hemoglobin measurements) and to decrease the need for blood transfusions in these patients.

In the United States, Amgen was granted rights to market recombinant human erythropoietin under a licensing agreement with Kirin-Amgen, Inc. ("Kirin-Amgen"), a joint venture between Kirin Brewery Company, Limited ("Kirin") and Amgen (see "Joint Ventures and Business Relationships--Kirin Brewery Company, Limited"). The Company began selling EPOGEN(R) in 1989 when the U.S. Food and Drug Administration ("FDA") approved its use in the treatment of anemia associated with chronic renal failure. In November 1999, the FDA approved EPOGEN(R) for the treatment of anemia in children with chronic renal failure who are on dialysis.

The Company has retained exclusive rights to market EPOGEN(R) in the United States for dialysis patients. Amgen has granted Ortho Pharmaceutical Corporation (which has assigned its rights under the Product License Agreement to Ortho Biotech Products, L.P.), a subsidiary of Johnson & Johnson, hereafter referred to as "Johnson & Johnson", a license to commercialize recombinant human erythropoietin as a human therapeutic in the United States in all markets other than dialysis. Johnson & Johnson markets recombinant human erythropoietin under the trademark PROCRIT(R) in the United States (see Note 1 to the Consolidated Financial Statements, "Summary of significant accounting policies--Product sales"). In countries other than the United States, the People's Republic of China, and Japan, Johnson & Johnson was granted rights to commercialize erythropoietin as a human therapeutic under a licensing agreement with Kirin-Amgen. Affiliates of Johnson & Johnson manufacture and market erythropoietin under the trademark EPREX(R) in various countries (see "Joint Ventures and Business Relationships--Johnson & Johnson").

In Japan and the People's Republic of China, Kirin was granted rights to market recombinant human erythropoietin under licensing agreements with Kirin-Amgen (see "Joint Ventures and Business Relationships--Kirin Brewery Company, Limited"). Kirin manufactures and markets its recombinant human erythropoietin product under the trademark ESPO(R).

EPOGEN(R) sales for the year ended December 31, 2001 were $2,108.5 million. For EPOGEN(R) sales information for the years ended December 31, 2000 and 1999, see Note 10 to the Consolidated Financial Statements.

NEUPOGEN(R) (Filgrastim)

NEUPOGEN(R) (proper name--Filgrastim) is Amgen's registered trademark for its recombinant-methionyl human granulocyte colony-stimulating factor ("G-CSF"), a protein that selectively stimulates production of certain white blood cells known as neutrophils. Neutrophils defend against infection. Treatments for various diseases and diseases themselves can result in extremely low numbers of neutrophils, a condition called neutropenia. Myelosuppressive chemotherapy, one treatment option for individuals with cancer, targets cell types which grow rapidly, such as tumor cells, neutrophils, and other types of blood cells. Myelosuppressive chemotherapy can be administered with the intent to cure cancer (curative setting) or with the intent to reduce pain and other complications of cancer by managing tumor growth (palliative setting). NEUPOGEN(R) is prescribed more frequently in the curative setting. Providing NEUPOGEN(R) as an adjunct to myelosuppressive chemotherapy can reduce the duration of neutropenia and thereby reduce the potential for infection.

Severe chronic neutropenia is an example of disease-related neutropenia. In severe chronic neutropenia, the body fails to manufacture sufficient neutrophils. Chronic administration of NEUPOGEN(R) has been shown to reduce the incidence and duration of neutropenia-related consequences, such as fever and infections, in patients with severe chronic neutropenia.

Patients undergoing bone marrow transplantation are treated with NEUPOGEN(R) to accelerate recovery of neutrophils following chemotherapy and bone marrow infusion. NEUPOGEN(R) also has been shown to induce immature blood cells (progenitor cells, sometimes referred to as stem cells) to migrate (mobilize) from the bone marrow into the blood circulatory system. When these peripheral blood progenitor cells ("PBPC") are collected from the blood, stored, and re-infused (transplanted) after high dose chemotherapy, recovery of platelets, red

blood cells, and neutrophils is accelerated. PBPC transplantation may be an alternative to autologous bone marrow transplantation for some patients.

In the United States, NEUPOGEN(R) was initially indicated to decrease the incidence of infection as manifested by febrile neutropenia for patients with non-myeloid malignancies undergoing myelosuppressive chemotherapy. Subsequently, the FDA approved NEUPOGEN(R) for additional indications: to reduce the duration of neutropenia for patients with non-myeloid malignancies undergoing myeloablative therapy followed by bone marrow transplantation; to reduce the incidence and duration of neutropenia-related consequences in symptomatic patients with congenital neutropenia, cyclic neutropenia, or idiopathic neutropenia (collectively, severe chronic neutropenia); for use in mobilization of PBPC for stem cell transplantation; and to reduce the recovery time of neutrophils and the duration of fever following chemotherapy treatment in patients being treated for acute myelogenous leukemia ("AML"). In the EU, Canada, and Australia, NEUPOGEN(R) is marketed for the same indications. The Company also markets NEUPOGEN(R) in the EU, Canada, and Australia for the treatment of neutropenia in HIV patients receiving antiviral and/or other myelosuppressive medications.

The Company began selling NEUPOGEN(R) in the United States in February 1991 pursuant to a licensing agreement with Kirin-Amgen. Kirin markets GRAN(R), its G-CSF product, in Japan, the People's Republic of China, Taiwan, and Korea under licensing agreements with Kirin-Amgen (see "Joint Ventures and Business Relationships--Kirin Brewery Company, Limited"). In the EU, NEUPOGEN(R) is commercialized by Amgen and F. Hoffmann-La Roche Ltd ("Roche") under a co-promotion agreement (see "Joint Ventures and Business Relationships--F. Hoffmann-La Roche Ltd"). In geographic areas of the world other than those above, Roche markets NEUPOGEN(R) under licenses from Amgen and Kirin-Amgen (see "Joint Ventures and Business Relationships--Kirin Brewery Company, Limited" and "Joint Ventures and Business Relationships--F. Hoffmann-La Roche Ltd").

For NEUPOGEN(R) sales information for the years ended December 31, 2001, 2000, and 1999, see Note 10 to the Consolidated Financial Statements.

Aranesp(TM) (darbepoetin alfa)

Aranesp(TM) (proper name--darbepoetin alfa) is Amgen's trademark for its erythropoiesis stimulating protein, a protein that stimulates red blood cell production. A reduced red blood cell count can result in anemia (see "--EPOGEN(R) (Epoetin alfa)"). Since this protein leaves the body more slowly, Aranesp(TM) should be administered less frequently than Epoetin alfa, thus simplifying anemia management for patients and health care providers. In 2001, the Company received approval to market Aranesp(TM) in the United States (September 2001), most European countries in the EU, Australia, and New Zealand for the treatment of anemia associated with chronic renal failure, including patients on dialysis and patients not on dialysis.

The Company has an agreement with Kirin to jointly develop darbepoetin alfa through its joint venture, Kirin-Amgen (see "Joint Ventures and Business Relationships--Kirin Brewery Company, Limited"). Amgen has been granted an exclusive license by Kirin-Amgen to manufacture and market darbepoetin alfa in the United States, all European countries, Canada, Australia, New Zealand, Mexico, and all Central and South American countries. Kirin has been granted similar rights by Kirin-Amgen for Japan, the People's Republic of China, Taiwan, Korea, and certain other countries in Southeast Asia.

Aranesp(TM) sales for the year ended December 31, 2001 were $41.5 million.

Neulasta(TM) (pegfilgrastim)

Neulasta(TM) (proper name--pegfilgrastim) is Amgen's trademark for a protein that selectively stimulates production of certain white blood cells known as neutrophils and is based on the Filgrastim molecule. A polyethylene glycol molecule or "PEG" unit is added to enlarge the Filgrastim molecule, thereby extending its

half-life and causing it to be removed more slowly from the body. This allows for administration as a single dose per chemotherapy cycle compared with NEUPOGEN(R) which requires more frequent dosing. In January 2002, Neulasta(TM) was approved by the FDA for decreasing the incidence of infection, as manifested by febrile neutropenia, in patients with non-myeloid malignancies receiving myelosuppressive anti-cancer drugs associated with a clinically significant incidence of febrile neutropenia.

Kineret(TM) (anakinra)

Kineret(TM) (proper name--anakinra) is Amgen's trademark for its recombinant nonglycosylated form of the human interleukin-1 ("IL-1") receptor antagonist. Kineret(TM) blocks the biologic activity of IL-1 by competitively inhibiting IL-1 binding to the interleukin-1 type receptor, which is expressed in a wide variety of tissues. IL-1 production is induced in response to inflammatory stimuli and mediates various physiologic responses including inflammatory and immunological responses. Kineret(TM) is a product that was added to the Company's inflammation research program through the acquisition of Synergen, Inc. ("Synergen") (see "Joint Ventures and Business Relationships--Other business relationships").

In November 2001, Amgen received FDA approval and began marketing Kineret(TM) in the United States for the reduction of the signs and symptoms of moderately to severely active rheumatoid arthritis, in patients 18 years of age or older who have failed one or more disease modifying antirheumatic drugs. Also in November 2001, the Company announced that the European Union Committee for Proprietary Medicinal Products ("CPMP") recommended granting Kineret(TM) a marketing authorization for the signs and symptoms of rheumatoid arthritis in combination with methotrexate, in patients with an inadequate response to methotrexate alone. The CPMP's recommendation has been forwarded to the European Commission for their final decision.

Other products

INFERGEN(R) (proper name--Interferon alfacon-1) is Amgen's registered trademark for its recombinant consensus interferon, a non-naturally occurring protein that combines structural features of many interferon sub-types. Interferons are natural proteins produced by the body which stimulate the immune system to fight viral infections. Hepatitis C viral infection ("HCV") is a potentially deadly disease that, if not treated, may lead to cirrhosis and hepatocellular carcinoma, or liver cancer. The Company began selling INFERGEN(R) in the United States in October 1997 and in Canada in March 1999. The Company licensed its rights to market INFERGEN(R) in the United States and Canada to InterMune, Inc. ("InterMune") in June 2001 (see "Joint Ventures and Business Relationships--Other business relationships").

Previously, Amgen licensed to Yamanouchi Pharmaceutical Co., Ltd. of Japan ("Yamanouchi") the rights to develop, manufacture, and commercialize Interferon alfacon-1 for all indications around the world except in the United States and Canada. Yamanouchi granted rights to the Company to co-develop and market Interferon alfacon-1 in Japan, the People's Republic of China, and Taiwan (see "Joint Ventures and Business Relationships--Yamanouchi Pharmaceutical Co., Ltd.").

Product Candidates

The Company focuses its research and development efforts on human therapeutics delivered in the form of proteins, monoclonal antibodies, and small molecules in the therapeutic areas of nephrology, cancer, inflammation, and neurology and metabolism (see "Factors That May Affect Amgen--Our product development efforts may not result in commercial products.").

Nephrology

A focus of the Company's effort in nephrology is in the area of hyperparathyroidism ("HPT"). HPT is a disorder that results from excessive secretion of parathyroid hormone ("PTH") from the parathyroid gland.

Symptoms of HPT include bone loss, muscle weakness, depression, and forgetfulness. Secondary HPT is commonly seen as a result of kidney failure, affecting a majority of dialysis patients. Primary HPT primarily afflicts post-menopausal women. The Company has entered into a license agreement with NPS Pharmaceuticals, Inc. ("NPS") for Amgen to develop and commercialize NPS's calcimimetic small molecules based on NPS's proprietary calcium receptor technology for the treatment of HPT. The Company has conducted separate phase 2 clinical trials for primary and secondary HPT with a second generation calcimimetic compound. In 2000 and 2001, data from phase 2 studies were presented demonstrating that treatment with small-molecule calcimimetics results in dose-dependent decreases in PTH levels and control of elevated calcium levels. In December 2001, the Company announced it had initiated a phase 3 clinical study in secondary HPT.

Cancer

In 2001, the Company announced it had submitted a Biologics License Application Supplement for Aranesp(TM) to the FDA (September) and submitted a variation application to the European Agency for the Evaluation of Medicinal Products (October) for the treatment of cancer patients suffering from anemia associated with certain types of chemotherapy.

Certain tissue growth factors are believed to play a role in tissue protection, regeneration and/or repair processes. Mucositis is a side effect often experienced by patients undergoing radiation therapy and chemotherapy and is characterized as the irritation or ulceration of the lining of the gastrointestinal tract. Amgen currently is conducting research with Keratinocyte Growth Factor ("KGF") to prevent and treat mucositis. Early-stage clinical trials suggest that treatment with KGF may reduce the duration of severe oral mucositis in cancer patients receiving chemo/radiotherapy. Phase 2 and 3 clinical trials of KGF in cancer patients suffering from mucositis are ongoing.

In December 2000, the Company acquired the rights from Immunomedics, Inc. ("Immunomedics") to develop and commercialize epratuzumab. Epratuzumab is currently being evaluated for the treatment of non-Hodgkin's lymphoma ("NHL"). Epratuzumab is a humanized monoclonal antibody. Preliminary research and early-stage clinical trials showed epratuzumab has some level of anti-tumor activity, either directly or indirectly, against B-cell malignancies. In July 2001, after refining the phase 3 protocol based on FDA input and adding clinical sites in Canada and Australia, the Company initiated a phase 3 clinical trial. The phase 3 clinical trial is designed to evaluate epratuzumab for the treatment of low-grade NHL in patients who failed to respond, or who responded for less than six months, to rituximab, a monoclonal antibody approved for the treatment of certain types of NHL (see "Competition--Cancer"). A phase 1/2 clinical trial of epratuzumab in combination with rituximab to treat low-grade and aggressive NHL also is ongoing. In 2001, the Company initiated a phase 2 clinical trial of epratuzumab in combination with rituximab in low-grade NHL patients and a phase 2 clinical trial of epratuzumab in aggressive NHL patients.

Osteoprotegerin ("OPG") is implicated in the regulation of bone mass. Bone mass is maintained in the body by the regulation of the competing activities of bone forming cells (osteoblasts) and bone resorbing cells (osteoclasts). Cancer metastases (cancers which have spread from their original tumor site) to bone cause bone destruction, leading to fractures and bone pain. In preclinical studies, OPG has been shown to inhibit the osteoclast mediated bone destruction induced by invading cancer cells. The Company completed phase 1 studies with the initial molecule in its OPG program. Data from these studies validated the importance of this pathway in the pathology of bone disorders. The Company is currently assessing the potential of several other pre-clinical and clinical candidates in this program and plans to conduct additional phase 1 studies before making the decision to advance into phase 2 studies.

In March 1999, Amgen acquired the rights from PRAECIS PHARMACEUTICALS INCORPORATED ("Praecis") to develop and commercialize abarelix-depot (see "Joint Ventures and Business Relationships--PRAECIS PHARMACEUTICALS INCORPORATED"). Abarelix-depot may confer a therapeutic benefit to patients with a number of diseases and medical conditions, including prostate cancer and endometriosis. A

regulatory file was submitted to the FDA in December 2000 regarding use of abarelix-depot in patients with hormonally-responsive prostate cancer. During 2001, the FDA issued a letter indicating this application was inadequate for approval, and subsequently, Amgen and Praecis announced that they were ending their agreement to jointly develop and commercialize abarelix-depot for all indications. Amgen is transitioning all development and commercialization rights and responsibilities back to Praecis.

Inflammation

The inflammatory response is essential for defense against harmful microorganisms and for the repair of damaged tissues. The failure of the body's control mechanisms regulating inflammatory response occurs in conditions such as rheumatoid arthritis. Tumor necrosis factor binding protein was added to the Company's inflammation research program through the acquisition of Synergen (see "Joint Ventures and Business Relationships--Other business relationships"). The Company is in phase 2 development of a second generation inhibitor of tumor necrosis factor, soluble tumor necrosis factor-receptor type I ("sTNF-RI") in patients with rheumatoid arthritis. In 2001, the Company initiated a phase 2 clinical trial of sTNF-RI in combination with Kineret(TM) in patients with rheumatoid arthritis.

Neurology and Metabolism

The Company has discovery programs in neurological and metabolism disorders. The Company has a program to develop leptin, a protein encoded by the obesity gene. Leptin is a naturally occurring cytokine hormone secreted by fat cells that may act primarily at the hypothalamus to regulate food intake and energy expenditure. In 1995, the Rockefeller University granted the Company an exclusive license that allows the Company to develop products based on the obesity gene. The Company's clinical trials of leptin failed to show clinical efficacy in normal obesity and diabetes, and development of this molecule was subsequently discontinued in these diseases. Amgen continues to support investigator research in certain exploratory indications.

In 1997, Amgen acquired the rights from Guilford Pharmaceuticals Inc. ("Guilford") for a novel class of small molecule, orally-active, neurotrophic agents called neuroimmunophilin compounds (see "Joint Ventures and Business Relationships--Other business relationships"). The Company conducted a phase 2 clinical trial with neuroimmunophilins in patients with Parkinson's disease, which did not produce a substantial reversal of the motor symptoms of Parkinson's disease. During 2001, Amgen elected to terminate its agreement with Guilford and return all rights to the neuroimmunophilin compounds.

Neurotrophic factors are proteins which play a role in nerve cell protection and regeneration and which may therefore be useful in treating a variety of neurological disorders, including neurodegenerative diseases of the central and peripheral nervous systems, nerve injury, and trauma. In January 2001, all clinical development of brain-derived neurotrophic factor ("BDNF") that was being developed in collaboration with Regeneron Pharmaceuticals, Inc. ("Regeneron") (see "Joint Ventures and Business Relationships--Other business relationships") for the potential treatment of amyotrophic lateral sclerosis ("ALS") was discontinued when it was determined that BDNF did not provide a therapeutic advantage to ALS patients in clinical trials. On behalf of the collaboration with the Company, Regeneron is currently evaluating the results of clinical trials of Neurotrophin-3 ("NT-3") for the treatment of chronic constipation.

Joint Ventures and Business Relationships

The Company generally intends to self-market its products. From time to time, the Company may enter into joint ventures and other business relationships to provide additional marketing and product development capabilities in certain countries. In addition to internal research and development efforts, the Company has acquired certain product and technology rights and has established research and development collaborations.

F. Hoffmann-La Roche Ltd

Amgen and Roche have an agreement providing for the commercialization of NEUPOGEN(R) (Filgrastim) (known as GRANULOKINE(R) in the EU) and pegfilgrastim. Under this agreement, the companies collaborate in the EU on the commercialization and further clinical development of the product, and Amgen has a majority share in the related costs and profits from sales. Amgen has substantially all of the responsibilities for marketing, promotion, distribution, and other key functions relating to product sales, and the Company primarily distributes the product to EU countries from its European Logistics Center in Breda, The Netherlands. Amgen and Roche also have an agreement to commercialize Filgrastim in certain European countries not located within the EU. Under this agreement, Roche commercializes Filgrastim in these countries and pays a royalty to Amgen on these sales.

Johnson & Johnson

Amgen granted Johnson & Johnson a license to commercialize recombinant human erythropoietin as a human therapeutic in the United States in all markets other than dialysis. In countries other than the United States, the People's Republic of China, and Japan, Johnson & Johnson was granted rights to commercialize recombinant human erythropoietin as a human therapeutic for all uses under a licensing agreement with Kirin-Amgen.

Kirin Brewery Company, Limited

The Company has a 50-50 joint venture (Kirin-Amgen) with Kirin. Kirin-Amgen, which was formed in 1984, develops and commercializes certain of the Company's and Kirin's technologies which have been transferred to this joint venture. Kirin-Amgen has given exclusive licenses to Amgen and Kirin to manufacture and market erythropoietin in the United States and Japan, respectively. Kirin-Amgen has licensed to Johnson & Johnson rights to erythropoietin in certain geographic areas of the world (see "--Johnson & Johnson"). Kirin-Amgen has also granted Amgen an exclusive license to manufacture and market G-CSF and pegfilgrastim in the United States, Europe, Canada, Australia, and New Zealand. Kirin-Amgen has licensed to Kirin similar rights with respect to G-CSF and pegfilgrastim in Japan, Taiwan and Korea. Kirin markets recombinant human erythropoietin and recombinant-methionyl human granulocyte colony-stimulating factor in the People's Republic of China under a separate agreement. Kirin-Amgen and Roche have an agreement to commercialize Filgrastim in certain territories not covered by the various Amgen/Roche agreements (see "--F. Hoffmann-La Roche Ltd"). Under this agreement, Roche markets Filgrastim in these countries and pays a royalty to Kirin-Amgen on these sales.

In 1996, Kirin-Amgen licensed to Amgen and Kirin the rights to develop and market darbepoetin alfa. Amgen has been granted an exclusive license by Kirin-Amgen to manufacture and market darbepoetin alfa in the United States, all European countries, Canada, Australia, New Zealand, Mexico, all Central and South American countries, and certain countries in Central Asia, North Africa, and the Middle East. Kirin has been licensed by Kirin-Amgen with similar rights for darbepoetin alfa in Japan, the People's Republic of China, Taiwan, Korea, and certain other countries in Southeast Asia.

Pursuant to the terms of agreements entered into with Kirin-Amgen, the Company conducts certain research and development activities on behalf of Kirin-Amgen and is paid for such services at negotiated rates. Included in "Corporate partner revenues" in the Company's Consolidated Financial Statements for the years ended December 31, 2001, 2000 and 1999, are $210.1 million, $221.0 million, and $138.5, respectively, related to these agreements.

In connection with its various license agreements with Kirin-Amgen, the Company pays Kirin-Amgen royalties based on sales. During the years ended December 31, 2001, 2000, and 1999, Kirin-Amgen earned royalties from Amgen of $147.1 million, $140.8 million, and $128.1 million, respectively, under such agreements, which are included in "Cost of sales" in the Company's Consolidated Financial Statements.

Yamanouchi Pharmaceutical Co., Ltd.

In 1996, Amgen licensed to Yamanouchi the rights to develop, manufacture, and commercialize Interferon alfacon-1 for the treatment of hepatitis C viral infection and any additional indications around the world except in the United States and Canada. Amgen has earned certain milestones from Yamanouchi and will receive royalties on sales. Yamanouchi has granted to Amgen certain co-development and co-promotion/co-marketing rights in Japan, and certain co-development and co-promotion rights in the People's Republic of China.

PRAECIS PHARMACEUTICALS INCORPORATED

In March 1999, Amgen entered into a collaboration with Praecis relating to the exclusive right to develop and commercialize abarelix-depot for all indications, including prostate cancer and endometriosis in the United States, Canada, Australia, Japan, and several secondary markets. In December 2001, Amgen and Praecis terminated their agreement to jointly develop and commercialize abarelix-depot for all indications.

Other business relationships

In 1990, the Company entered into a collaboration agreement with Regeneron to co-develop and commercialize BDNF and NT-3 in the United States. To facilitate this collaboration, the Company and Regeneron formed Amgen-Regeneron Partners, a 50-50 partnership. In addition, Regeneron licensed these potential products to Amgen for development in certain other countries.

In 1994, the Company acquired Synergen, a biotechnology company. The acquisition of Synergen principally added its inflammation program to Amgen's product candidate pipeline. Synergen Clinical Partners, L.P. ("SCP"), the general partner of which was a subsidiary of Synergen, was formed to fund development and commercialization of Kineret(TM) in certain geographic areas. As a result of the acquisition of Synergen, the general partner of SCP became a subsidiary of Amgen. In connection with the settlement of certain litigation relating to Synergen and SCP, Amgen acquired all of the limited partnership units of SCP. Amgen paid an amount in connection with the FDA approval of Kineret(TM), and will be required to pay additional amounts to the former limited partners that were members of the plaintiff class, other members of the plaintiff class, and their counsel if certain product revenues are realized.

In 1997, Amgen and Guilford entered into an agreement granting Amgen worldwide rights for Guilford's neuroimmunophilin compounds, a novel class of small molecule, orally-active, neurotrophic agents. During 2001, Amgen elected to terminate its agreement with Guilford and return all rights to the neuroimmunophilin compounds.

In 2000, Amgen licensed epratuzumab, a therapeutic antibody for the treatment of NHL, from Immunomedics. Under this agreement, Amgen has the rights to develop and commercialize epratuzumab in North America and Australia. Amgen has paid and will make additional payments if certain clinical and commercial milestones are achieved and will make royalty payments based on sales.

In June 2001, Amgen licensed to InterMune the exclusive rights to develop and commercialize INFERGEN(R), as well as an early stage pegylated interferon product candidate being developed by Amgen, in the United States and Canada. Pursuant to the license agreement, Amgen supplies INFERGEN(R) to InterMune.

Proposed Merger with Immunex

In December 2001, the Company signed a definitive agreement to acquire Immunex Corporation ("Immunex"). Immunex is a biopharmaceutical company dedicated to developing immune system science to protect human health. The transaction is expected to close in the second half of 2002, subject to various conditions, including Federal Trade Commission approval (see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations--Proposed Merger with Immunex").

Marketing

Amgen uses wholesale distributors of pharmaceutical products as the principal means of distributing the Company's products to clinics, hospitals, and pharmacies. The Company monitors the financial condition of its larger distributors and limits its credit exposure by setting appropriate credit limits and requiring collateral from certain customers. Sales to three large wholesalers each accounted for more than 10% of total revenues for the year ended December 31, 2001. In 2001, sales to AmerisourceBergen Corporation were $1,470.1 million, sales to Cardinal Distribution were $535.8 million, and sales to McKesson Corporation were $459.8 million. For the years ended December 31, 2000 and 1999, sales to two wholesalers each accounted for more than 10% of total revenues. Sales to Bergen Brunswig Corporation were $1,233.4 million and $1,078.0 million for the years ended December 31, 2000 and 1999, respectively. Sales to Cardinal Distribution were $445.2 million and $438.2 million for the years ended December 31, 2000 and 1999, respectively.

Dialysis providers are primarily reimbursed for EPOGEN(R) by the federal government through the End Stage Renal Disease Program ("ESRD Program") of Medicare. The ESRD Program reimburses approved providers for 80% of allowed dialysis costs; the remainder is paid by other sources, including Medicaid, private insurance, and to a lesser extent, state kidney patient programs. The ESRD Program reimbursement rate is established by Congress and is monitored by the Centers for Medicare & Medicaid Services ("CMS"). Changes in coverage and reimbursement policies could have a material adverse effect on EPOGEN(R) sales (see "Factors That May Affect Amgen--Our sales depend on payment and reimbursement from third party payors, and a reduction in the payment rate or reimbursement could result in decreased use or sales of our products.").

Aranesp(TM) is reimbursed by both private and public payors, and changes in coverage and reimbursement policies of these payors could have a material adverse effect on sales of Aranesp(TM) (see "Factors That May Affect Amgen--Our sales depend on payment and reimbursement from third party payors, and a reduction in the payment rate or reimbursement could result in decreased use or sales of our products."). Aranesp(TM) is marketed by the Company in the United States, Europe, Australia, and New Zealand.

NEUPOGEN(R) is reimbursed by both private and public payors, and changes in coverage and reimbursement policies of these payors could have a material adverse effect on sales of NEUPOGEN(R) (see "Factors That May Affect Amgen--Our sales depend on payment and reimbursement from third party payors, and a reduction in the payment rate or reimbursement could result in decreased use or sales of our products.").

In the EU, Amgen and Roche share commercialization responsibilities for NEUPOGEN(R) under a co-promotion agreement (see "Joint Ventures and Business Relationships--F. Hoffmann-La Roche Ltd"). NEUPOGEN(R) is principally distributed to wholesalers and/or hospitals in all EU countries depending upon the distribution practice for products in each country. Most patients receiving NEUPOGEN(R) for approved indications are covered by government health care programs. Generally, the use of NEUPOGEN(R) is affected by EU government pressures on physician prescribing practices in response to ongoing government initiatives to reduce health care expenditures, and to a lesser extent, competition.

Kineret(TM) is sold by the Company in the United States. Kineret(TM) is reimbursed through both private and public sources, with primary reimbursement through private payors (see "Factors That May Affect Amgen--Our sales depend on payment and reimbursement from third party payors, and a reduction in the payment rate or reimbursement could result in decreased use or sales of our products.").

Competition

Competition among biotechnology, pharmaceutical, and other companies that research, develop, manufacture, or market pharmaceuticals is intense and is expected to increase. See "Factors That May Affect Amgen--We face substantial competition, and others may discover, develop, acquire or commercialize products before or more successfully than we do.". Some competitors, principally large pharmaceutical companies, have

greater clinical, research, regulatory, and marketing resources and experience than the Company, particularly in the area of small molecule therapeutics. In addition, certain specialized biotechnology firms have entered into cooperative arrangements with major companies for development and commercialization of products, creating an additional source of competition. The Company faces product competition from firms in the United States, countries of the EU, Canada, Australia, and elsewhere. Additionally, some of the Company's competitors, including biotechnology and pharmaceutical companies, are actively engaged in the research and development in areas where the Company is also developing product candidates, as more fully discussed below.

The introduction of new products or the development of new processes by competitors or new information about existing products may result in product replacements or price reductions, even for products protected by patents. In addition, the timing of entry of a new product into the market can be an important factor in determining the product's eventual success and profitability. Early entry may have important advantages in gaining product acceptance and market share. Accordingly, in some cases, the relative speed with which the Company can develop products, complete the testing and approval process, and supply commercial quantities of the product to the market is expected to be important to Amgen's competitive position. Competition among pharmaceutical products approved for sale also may be based on, among other things, patent position, product efficacy, safety, reliability, availability, and price.

A significant amount of research and development in the biotechnology industry is conducted by small companies, academic institutions, governmental agencies, and other public and private research organizations. These entities may seek patent protection and enter into licensing arrangements to collect royalties for use of technology or for the sale of products they have discovered or developed. Amgen also may face competition in its licensing or acquisition activities from pharmaceutical companies and large biotechnology companies that also seek to acquire technologies or product candidates from these entities. Accordingly, the Company may have difficulty acquiring technologies or product candidates on acceptable terms. Additionally, the Company competes with these entities and with pharmaceutical and biotechnology companies to attract and retain qualified scientific and technical personnel.

Nephrology

Any products or technologies that are directly or indirectly successful in addressing anemia could negatively impact the market for EPOGEN(R) or for Aranesp(TM). Aranesp(TM) directly competes with other currently marketed products which treat anemia, including EPOGEN(R) and the recombinant human erythropoietin product marketed by Johnson & Johnson (see "Products--EPOGEN(R) (Epoetin alfa)" and "Products--Aranesp(TM) (darbepoetin alfa)"). Aventis Pharmaceuticals Inc. ("Aventis") is developing gene-activated erythropoietin for the treatment of anemia (see "Item 3. Legal Proceedings--Transkaryotic Therapies and Aventis litigation"). Baxter International Inc. is developing epoetin omega for the treatment of anemia. Roche is developing a pegylated erythropoietin product for the treatment of anemia.

The calcimimetic program could face competition from products currently marketed by Abbott Laboratories, Bone Care International, Inc., Genzyme Corporation, and Roche which treat secondary HPT. In addition, another product to treat HPT is currently being developed by Chugai Pharmaceuticals Co., Ltd. ("Chugai").

Cancer

Any products or technologies that are directly or indirectly successful in addressing anemia associated with chemotherapy could negatively impact the market for Aranesp(TM). Aranesp(TM) would directly compete with other currently marketed products which treat anemia associated with chemotherapy, the recombinant human erythropoietin product marketed by Johnson & Johnson (see "Products--EPOGEN(R) (Epoetin alfa)"). In Europe, Aranesp(TM) would directly compete with other erythropoietin products marketed by Ortho Biotech/Janssen-Cilag/Johnson & Johnson and Roche. Aventis is developing gene-activated erythropoietin for the treatment of anemia (see "Item 3. Legal Proceedings--Transkaryotic Therapies and Aventis litigation"). Baxter International Inc. is

developing epoetin omega for the treatment of anemia. Roche is developing a pegylated erythropoietin product for the treatment of anemia.

Any products or technologies that are directly or indirectly successful in addressing neutropenia associated with chemotherapy could negatively impact the markets for NEUPOGEN(R) and Neulasta(TM). NEUPOGEN(R) currently faces and Neulasta(TM) will face (when launched) market competition from a competing CSF product, granulocyte macrophage colony stimulating factor ("GM-CSF"), and from the chemoprotectant, amifostine. Potential future sources of competition include other G-CSF products, GM-CSF products, FLT-3 ligand, myelopoietin, PGG-glucan, promegapoietin, and progenipoietin, among others. Once launched, Neulasta(TM) may impact NEUPOGEN(R) sales as health care providers in the U.S. may transition from administering NEUPOGEN(R) to Neulasta(TM).

Chugai markets a G-CSF product in Japan as an adjunct to chemotherapy and as a treatment for BMT patients. Chugai and Aventis market a G-CSF product in certain EU countries as an adjunct to chemotherapy and as a treatment in BMT settings. Chugai, through its licensee, AMRAD, markets this G-CSF product in Australia as an adjunct to chemotherapy and as a treatment for BMT patients. Under an agreement with Amgen, Chugai is precluded from selling its G-CSF product in the United States, Canada, and Mexico.

Immunex markets GM-CSF under the trademark LEUKINE(R) in the United States for BMT and PBPC transplant patients and as an adjunct to chemotherapy treatments for acute non-lymphocytic leukemia ("ANLL") and AML. Immunex is also pursuing other indications for its GM-CSF product including as an adjunct to chemotherapy outside the limited settings of ANLL and AML. In connection with proposed merger between Amgen and Immunex, Immunex intends to divest of LEUKINE(R) (see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Proposed Merger with Immunex"). Novartis AG markets another GM-CSF product for use in BMT patients and as an adjunct to chemotherapy in the EU and certain other countries. This GM-CSF product is currently being developed for similar indications in the United States and Canada. Nartograstim, a modified G-CSF protein, is sold by Kyowa Hakko Kogyo Co., Ltd. in Japan.

Many companies are developing products that promote wound healing, soft tissue regeneration, and chemoprotection. Companies such as Human Genome Sciences, Inc., Genetics Institute, Inc., MedImmune, Inc., and IntraBiotics Pharmaceuticals, Inc. are currently among many companies that are developing products which could be potential competitors for KGF.

NHL is primarily treated with standard chemotherapy agents, monoclonal antibodies, or a combination of the two modalities. Epratuzumab could face competition from rituximab, another monoclonal antibody marketed jointly by Genentech, Inc. and Idec Pharmaceuticals Corporation. However, it is also possible that epratuzumab may be used in combination with rituximab (see "Product candidates--Cancer"). In addition, other monoclonal antibodies are being investigated for the treatment of NHL including those in development by GlaxoSmithKline plc (in collaboration with Beckman Coulter, Inc.) and Idec Pharmaceuticals Corporation.

The OPG program could face competition from a product currently marketed by Novartis AG for the treatment of cancer metastases to the bone.

Inflammation

Kineret(TM) and sTNF-RI could face competition in some circumstances from a number of companies developing or marketing rheumatoid arthritis treatments. Current anti-arthritic treatments include generic methotrexate and other products marketed by, among others, Centocor, Inc./Johnson & Johnson, Immunex/American Home Products Corporation, Merck & Co., Inc., Pharmacia Corporation, Novartis AG, and Sanofi-Synthelabo. In addition, a number of companies have cytokine inhibitors in development including Abbott Laboratories, GlaxoSmithKline plc, Pharmacia Corporation, and Taisho Pharmaceutical Co., Ltd.

Neurology and Metabolism

Many companies currently market or are believed to be developing obesity treatments that could compete with the leptin program. Potential future competitors include Millennium Pharmaceuticals, Inc. (in collaboration with Roche), Neurogen Corporation (in collaboration with Pfizer Inc.), Bristol Myers Squibb Company, Novartis AG, Eli Lilly and Company, and Merck & Co., Inc. Abbott Laboratories and Roche currently market obesity treatments in various countries.

Research and Development

The Company's primary sources of new product candidates are internal research and acquisition and licensing from third parties. Amgen's internal research capabilities include an expertise in secreted protein therapeutics. The Company's discovery program may yield targets that lead to the development of therapeutics delivered as proteins, small molecules, or monoclonal antibodies. Amgen has only recently entered the small molecule field. To supplement its small molecule discovery program, in December 2000, Amgen acquired Kinetix Pharmaceuticals, Inc. ("Kinetix"), a privately held company that focused on the discovery of small molecule drugs that inhibit protein kinases, a key class of biological regulators (see Note 11 to the Consolidated Financial Statements). Research and development expenses for the years ended December 31, 2001, 2000, and 1999 were $865.0 million, $845.0 million, and $822.8 million, respectively. Additionally, the Company recorded a $30.1 million write-off of acquired in-process research and development during the year ended December 31, 2000 arising from the acquisition of Kinetix (see Note 4 to the Consolidated Financial Statements).

Government Regulation

Regulation by governmental authorities in the United States and other countries is a significant factor in the production and marketing of the Company's products and its ongoing research and development activities (see "Factors That May Affect Amgen--Our current products and products in development cannot be sold if we do not obtain and maintain regulatory approval.").

In order to clinically test, manufacture, and market products for therapeutic use, Amgen must satisfy mandatory procedures and safety and effectiveness standards established by various regulatory bodies. In the United States, the Federal Food, Drug, and Cosmetic Act, as amended, and the regulations promulgated thereunder, and other federal and state statutes and regulations govern, among other things, the testing, manufacture, labeling, storage, record keeping, approval, advertising, and promotion of the Company's products on a product-by-product basis. Product development and approval within this regulatory framework takes a number of years and involve the expenditure of substantial resources. After laboratory analysis and preclinical testing in animals, an investigational new drug application is filed with the FDA to begin human testing. Typically, a three-phase human clinical testing program is then undertaken. In phase 1, small clinical trials are conducted to determine the safety of the product. In phase 2, clinical trials are conducted to assess safety, acceptable dose, and gain preliminary evidence of the efficacy of the product. In phase 3, clinical trials are conducted to provide sufficient data for the statistically valid proof of safety and efficacy. The time and expense required to perform this clinical testing can vary and is substantial. No action can be taken to market any new drug or biologic product in the United States until an appropriate marketing application has been approved by the FDA. Even after initial FDA approval has been obtained, further clinical trials may be required to provide additional data on safety and effectiveness and are required to gain clearance for the use of a product as a treatment for indications other than those initially approved. In addition, side effects or adverse events that are reported during clinical trials can delay, impede, or prevent marketing approval. Similarly, adverse events that are reported after marketing approval can result in additional limitations being placed on the product's use and, potentially, withdrawal of the product from the market. Any adverse event, either before or after marketing approval, can result in product liability claims against the Company.

In addition to regulating and auditing human clinical trials, the FDA regulates and inspects equipment, facilities, and processes used in the manufacturing of such products prior to providing approval to market a

product. If after receiving clearance from the FDA, a material change is made in manufacturing equipment, location, or process, additional regulatory review may be required. The Company also must adhere to current Good Manufacturing Practice and product-specific regulations enforced by the FDA through its facilities inspection program. The FDA also conducts regular, periodic visits to re-inspect equipment, facilities, and processes following the initial approval. If, as a result of these inspections, the FDA determines that the Company's equipment, facilities, or processes do not comply with applicable FDA regulations and conditions of product approval, the FDA may seek civil, criminal, or administrative sanctions and/or remedies against Amgen, including the suspension of the Company's manufacturing operations.

In the EU countries, Canada, and Australia, regulatory requirements and approval processes are similar in principle to those in the United States. Additionally, depending on the type of drug for which approval is sought, there are currently two potential tracks for marketing approval in the EU countries: mutual recognition and the centralized procedure. These review mechanisms may ultimately lead to approval in all EU countries, but each method grants all participating countries some decision making authority in product approval.

The Company is also subject to various federal and state laws pertaining to health care "fraud and abuse," including anti-kickback laws and false claims laws. Anti-kickback laws make it illegal for a prescription drug manufacturer to solicit, offer, receive, or pay any remuneration in exchange for, or to induce, the referral of business, including the purchase or prescription of a particular drug. The federal government has published regulations that identify "safe harbors" or exemptions for certain payment arrangements that do not violate the anti-kickback statutes. The Company seeks to comply with the safe harbors where possible. Due to the breadth of the statutory provisions and the absence of guidance in the form of regulations or court decisions addressing some of the Company's practices, it is possible that the Company's practices might be challenged under anti-kickback or similar laws. False claims laws prohibit anyone from knowingly and willingly presenting, or causing to be presented for payment to third party payors (including Medicare and Medicaid) claims for reimbursed drugs or services that are false or fraudulent, claims for items or services not provided as claimed, or claims for medically unnecessary items or services. Amgen's activities relating to the sale and marketing of its products may be subject to scrutiny under these laws. Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including fines and civil monetary penalties, as well as the possibility of exclusion from federal health care programs (including Medicare and Medicaid). If the government were to allege against or convict the Company of violating these laws, there could be a material adverse effect on the Company, including its stock price. The Company's activities could be subject to challenge for the reasons discussed above and due to the broad scope of these laws and the increasing attention being given to them by law enforcement authorities.

Since 1991, the Company has participated in the Medicaid rebate program established by the Omnibus Budget Reconciliation Act of 1990, and under amendments of that law that became effective in 1993, participation has included extending comparable discounts under the Public Health Service ("PHS") pharmaceutical pricing program. Under the Medicaid rebate program, the Company pays a rebate for each unit of its product reimbursed by Medicaid. The amount of the rebate for each product is set by law as a minimum 15.1% of the average manufacturer price ("AMP") of that product, or if it is greater, the difference between AMP and the best price available from the Company to any customer. The rebate amount also includes an inflation adjustment if AMP increases faster than inflation. The PHS pricing program extends discounts comparable to the Medicaid rebate to a variety of community health clinics and other entities that receive health services grants from the PHS, as well as hospitals that serve a disproportionate share of poor Medicare and Medicaid beneficiaries. The rebate amount is recomputed each quarter based on the Company's reports of its current average manufacturer price and best price for each of its products to the Health Care Financing Administration ("HCFA"). The terms of the Company's participation in the program impose an obligation to correct the prices reported in previous quarters, as may be necessary. Any such corrections could result in an overage or underage in the Company's rebate liability for past quarters, depending on the direction of the correction. In addition to retroactive rebates (and interest, if any), if the Company were found to have knowingly submitted false information to the government, in addition to other penalties available to the government, the statute provides for civil monetary penalties in the amount of $100,000 per item of false information.

The Company also makes its products available to authorized users of the Federal Supply Schedule ("FSS") of the General Services Administration. Since 1993, as a result of the Veterans Health Care Act of 1992 (the "VHC Act"), federal law has required that product prices for purchases by the Veterans Administration, the Department of Defense, Coast Guard, and the PHS (including the Indian Health Service) be discounted by a minimum of 24% off the AMP to non-federal customers (the non-federal average manufacturer price, "non-FAMP"). The Company's computation and report of non-FAMP is used in establishing the price, and the accuracy of the reported non-FAMP may be audited by the government under applicable federal procurement laws. Among the remedies available to the government for infractions of these laws is recoupment of any overages paid by FSS users during the audited years. In addition, if the Company were found to have knowingly reported a false non-FAMP, the VHC Act provides for civil monetary penalties of $100,000 per item that is incorrect.

Amgen is also subject to regulation under the Occupational Safety and Health Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, and other current and potential future federal, state, or local regulations. The Company's research and development activities involve the controlled use of hazardous materials, chemicals, biological materials, and various radioactive compounds. The Company believes that its procedures comply with the standards prescribed by state and federal regulations; however, the risk of injury or accidental contamination cannot be completely eliminated. Amgen's research and manufacturing activities also are conducted in voluntary compliance with the National Institutes of Health Guidelines for Recombinant DNA Research.

Additionally, the U.S. Foreign Corrupt Practices Act, to which the Company is subject, prohibits corporations and individuals from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity. It is illegal to pay, offer to pay, or authorize the payment of anything of value to any foreign government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The Company's present and future business has been and will continue to be subject to various other laws and regulations.

Patents and Trademarks

Patents are very important to the Company in establishing proprietary rights to the products it has developed or licensed. The patent positions of pharmaceutical and biotechnology companies, including the Company, can be uncertain and involve complex legal, scientific, and factual questions. See "Factors That May Affect Amgen--If our intellectual property positions are challenged, invalidated or circumvented, or if we fail to prevail in present and future intellectual property litigation, our business could be adversely affected.".

The Company has filed applications for a number of patents, has been granted patents, or has obtained rights relating to its erythropoietin, G-CSF, darbepoetin alfa, pegfilgrastim, anakinra, consensus interferon and various potential products. In the United States, the U.S. Patent and Trademark Office (the "USPTO") has issued to the Company or the Company has obtained rights to patents relating to erythropoietin that generally cover DNA and host cells (issued in 1987); processes for making erythropoietin (issued in 1995 and 1997); certain product claims to erythropoietin (issued in 1996 and 1997); cells that make certain levels of erythropoietin (issued in 1998); and pharmaceutical compositions of erythropoietin (issued in 1999). These patents have varying expiration dates, with the latest erythropoietin related patents expiring in 2015; all other patents expire earlier. The USPTO has also issued to the Company or the Company has obtained rights to patents relating to aspects of DNA, vectors, cells, and processes relating to recombinant G-CSF (issued in 1989); other aspects of DNA, vectors, cells, and processes relating to recombinant G-CSF (issued in 1991); G-CSF polypeptides (issued in 1996); methods of treatment using G-CSF polypeptides (issued in 1996); methods of enhancing bone marrow transplantation and treating burn wounds (issued in 1997); methods for recombinant production of G-CSF (issued in 1998); and analogs of G-CSF (issued in 1999). The last to issue G-CSF patents expire in 2013; all other patents expire earlier. Additionally, U.S. and EU patents pertaining to pegylated G-CSF (pegfilgrastim) expire in 2015. The

patent relating to erythropoietin for the EU expires in 2004. The patent relating to G-CSF for the EU expires in 2006. The Company has been granted or has obtained rights to two patents in the EU relating to darbepoetin alfa and hyperglycosylated erythropoietic proteins which expire in 2014 and 2010, respectively. The Company has been granted or has obtained rights to a patent on DNA encoding anakinra in the United States which expires in 2008 and has been granted or has obtained rights to patents in the countries adhering to the European Patent Office on anakinra and the DNA encoding it which expire in 2009; the Company has applied, or plans to apply, for extensions of anakinra patents.

There can be no assurance that Amgen's patents or licensed patents will afford legal protection against competitors or provide significant proprietary protection or competitive advantage. In addition, Amgen's patents or licensed patents could be held invalid or unenforceable by a court, or infringed or circumvented by others, or others could obtain patents that the Company would need to license or circumvent. Competitors or potential competitors may have filed patent applications or received patents, and may obtain additional patents and proprietary rights relating to proteins, small molecules, compounds, or processes competitive with those of the Company. Additionally, for certain of the Company's product candidates, competitors, or potential competitors may claim that their existing or pending patents prevent the Company from commercializing such product candidates in certain territories.

In general, the Company has obtained licenses from various parties which it deems to be necessary or desirable for the manufacture, use, or sale of its products. These licenses generally require Amgen to pay royalties to the parties on product sales. In addition, other companies have filed patent applications or have been granted patents in areas of interest to the Company. There can be no assurance any licenses required under such patents will be available for license on acceptable terms or at all. The Company is engaged in various legal proceedings relating to certain of its patents. See "Item 3. Legal Proceedings".

Trade secret protection for its unpatented confidential and proprietary information is important to Amgen. To protect its trade secrets, the Company generally requires its employees, material consultants, scientific advisors, and parties to collaboration and licensing agreements to execute confidentiality agreements upon the commencement of employment, the consulting relationship, or the collaboration or licensing arrangement with the Company. However, others could either develop independently the same or similar information or obtain access to Amgen's proprietary information.

The Company has obtained U.S. registration of its EPOGEN(R), NEUPOGEN(R), and INFERGEN(R) trademarks. In addition, these trademarks have been registered in other countries. The Company also has trademark protection for its product names Aranesp(TM), Kineret(TM), and Neulasta(TM) and is currently seeking U.S. registration of these trademarks.

Manufacturing and Raw Materials

Amgen has manufacturing facilities which produce commercial quantities of Epoetin alfa, NEUPOGEN(R), Aranesp(TM), Kineret(TM), Neulasta(TM), and INFERGEN(R) (see "Item 2. Properties"). Additionally, the Company supplies Epoetin alfa to Johnson & Johnson under a supply agreement. There can be no assurance that the Company will be able to accurately anticipate future demand for Epoetin alfa, NEUPOGEN(R), Aranesp(TM), Kineret(TM), Neulasta(TM), and INFERGEN(R) or maintain adequate manufacturing capacity (see "Factors That May Affect Amgen--We plan to grow rapidly, and if we fail to adequately manage that growth our business could be adversely impacted.").

Certain raw materials necessary for the Company's commercial manufacturing of its products are proprietary products of other companies, and in some cases, such proprietary products are specifically cited in the Company's drug application with the FDA such that they must be obtained from that specific, sole source. The Company currently attempts to manage the risk associated with such sole sourced raw materials by active inventory management and alternate source development, where feasible. Amgen attempts to remain apprised of

the financial condition of its suppliers, their ability to supply the Company's needs and the market conditions for these raw materials. Also, certain of the raw materials required in the commercial manufacturing of the Company's products are derived from biological sources. The Company is investigating screening procedures with respect to certain biological sources and alternatives to them. Raw materials may be subject to contamination and/or recall. A material shortage, contamination, and/or recall could adversely impact or disrupt Amgen's commercial manufacturing of its products.

Human Resources

As of December 31, 2001, the Company had approximately 7,700 employees, including approximately 70 part-time employees, of which approximately 3,800 were engaged in research and development, approximately 1,800 were engaged in sales and marketing, and approximately 2,100 were engaged in other activities. There can be no assurance that the Company will be able to continue attracting and retaining qualified personnel in sufficient numbers to meet its needs. None of the Company's employees are covered by a collective bargaining agreement, and the Company has experienced no work stoppages. The Company considers its employee relations to be good.

Executive Officers of the Registrant

The executive officers of the Company, their ages as of February 26, 2002 and positions are as follows:

Mr. Kevin W. Sharer, age 53, has served as a director of the Company since November 1992. He became Chief Executive Officer and President in May 2000 and Chairman of the Board in December 2000, having served as President and Chief Operating Officer from October 1992 to May 2000. From April 1989 to October 1992, Mr. Sharer served as President of the Business Markets Division of MCI Communications Corporation, a telecommunications company, and from February 1984 to March 1989 served in numerous executive capacities at General Electric Company. Mr. Sharer also serves as a director of Unocal Corporation and Minnesota Mining & Manufacturing Co.

Dr. Fabrizio Bonanni, age 55, became Senior Vice President, Quality and Compliance in April 1999. From December 1997 to April 1999, Dr. Bonanni served as the Corporate Vice President for Regulatory/Clinical Affairs for Baxter International Inc. ("Baxter"), a pharmaceutical company, from November 1994 to December 1997, as Corporate Vice President, Quality System, and beginning in 1974, held a variety of quality, regulatory and manufacturing positions with Baxter in Europe and in the U.S. Dr. Bonanni currently serves on the Board of Directors of Aaestrom Biosciences Inc.

Dr. Dennis M. Fenton, age 50, became Executive Vice President in March 2000, having served as Senior Vice President, Operations, from January 1995 to March 2000, as Senior Vice President, Sales and Marketing from August 1992 to January 1995, and as Vice President, Process Development, Facilities and Manufacturing Services from July 1991 to August 1992. Dr. Fenton also served as Vice President, Pilot Plant Operations and Clinical Manufacturing, from October 1988 to July 1991, and as Director, Pilot Plant Operations, from 1985 to October 1988. Dr. Fenton also serves on the Board of Directors of Aviron and is a member of the Compensation Committee.

Mr. Brian M. McNamee, age 45, became Senior Vice President, Human Resources in June 2001. From November 1999 to June 2001, Mr. McNamee served as Vice President of Human Resources at Dell Computer Corp. From July 1988 to November 1999, Mr. McNamee held human resource positions at General Electric, including serving as Senior Vice President Human Resources for the National Broadcasting Corporation ("NBC") from 1998 to 1999.

Mr. George J. Morrow, age 49, became Executive Vice President of Worldwide Sales and Marketing, in January 2001. From January 1999 until December 2000, Mr. Morrow was President and Chief Executive Officer of

Glaxo Wellcome Inc. ("Glaxo"), a subsidiary of GlaxoSmithKline plc. From January 1997 until December 1998, Mr. Morrow was Managing Director of Glaxo Wellcome U.K., also a subsidiary of GlaxoSmithKline plc. From May 1993 until December 1996, Mr. Morrow was Group Vice President for Commercial Operations of Glaxo.

Mr. Richard D. Nanula, age 41, became Executive Vice President, Finance, Strategy and Communications in May 2001. He also became Chief Financial Officer in August 2001. From November 1999 to February 2001, Mr. Nanula was Chairman and Chief Executive Officer of Broadband Sports, Inc., an internet media company. From March 1998 to May 1999, Mr. Nanula was President and Chief Operating Officer of Starwood Hotels & Resorts Worldwide, a worldwide hotel and gaming company. From August 1986 to March 1998, Mr. Nanula was at the Walt Disney Company where he held several positions including Senior Executive Vice President and Chief Financial Officer and President of Disney Stores Worldwide.

Mr. Steven M. Odre, age 52, became Senior Vice President, General Counsel and Secretary in March 2000, having served as Vice President, Intellectual Property, and Associate General Counsel since October 1988, and as Associate General Counsel from March 1988 to October 1988. From May 1986 to March 1988, Mr. Odre served as Director of Intellectual Property.

Dr. Roger M. Perlmutter, age 49, became Executive Vice President of Research and Development in January 2001. From July 1999 to December 2000, Dr. Perlmutter was Executive Vice President, Worldwide Basic Research and Preclinical Development of Merck Research Laboratories ("Merck"), and from February 1999 to July 1999 served as Executive Vice President of Merck, and from February 1997 to January 1999 as Senior Vice President of Merck. From May 1989 to January 1997, Dr. Perlmutter was also Chairman of the Department of Immunology, University of Washington, and from January 1991 to January 1997, Professor in the Departments of Immunology, Biochemistry and Medicine, University of Washington, and from October 1991 to January 1997, Investigator, the Howard Hughes Medical Institute at the University of Washington. Dr. Perlmutter currently serves on the Board of Directors of Stem Cells, Inc.

Mr. Barry D. Schehr, age 46, became Vice President, Financial Operations and Chief Accounting Officer in May 2000, having served as Vice President, Accounting and Financial Operations from March 2000 to May 2000 and as Director of Internal Audit from February 1997 to February 2000. From October 1989 to January 1997, Mr. Schehr was a partner with Ernst & Young LLP, an accounting firm.

Dr. Beth C. Seidenberg, age 45, became Senior Vice President, Development of the Company in January 2002. From September 2001 to December 2001, Dr. Seidenberg was Senior Vice President, Global Development of Bristol-Myers Squibb Company ("Bristol-Myers"). From May 2000 to September 2001, Dr. Seidenberg served as Senior Vice President, Clinical Development & Life Cycle Management, and from April 2000 to May 2000 as Vice President, Clinical Immunology/Pulmonary/Dermatology of Bristol-Myers. From July 1998 to March 2000, Dr. Seidenberg was Vice President, Pulmonary-Immunology of Merck Research Laboratories ("Merck"). From June 1989 to June 1998, Dr. Seidenberg held several director positions at Merck, including Executive Director.

Geographic Area Financial Information

For financial information concerning the geographic areas in which the Company operates, see Note 10 to the Consolidated Financial Statements.

Factors That May Affect Amgen

Amgen operates in a rapidly changing environment that involves a number of risks, some of which are beyond our control. The following discussion highlights some of these risks and others are discussed elsewhere in this Form 10-K.

Our product development efforts may not result in commercial products.

We intend to continue an aggressive product development program. Successful product development in the biotechnology industry is highly uncertain, and very few research and development projects produce a commercial product. Product candidates that appear promising in the early phases of development, such as in early human clinical trials, may fail to reach the market for a number of reasons, such as:

-- the product candidate did not demonstrate acceptable clinical trial results even though it demonstrated positive preclinical trial results

-- the product candidate was not effective in treating a specified condition or illness

-- the product candidate had harmful side effects on humans

-- the necessary regulatory bodies such as the U.S. Food and Drug Administration, did not approve our product candidate for an intended use

-- the product candidate was not economical for us to manufacture and commercialize

-- other companies or people have or may have proprietary rights to our product candidate, such as patent rights, and will not let us sell it on reasonable terms, or at all

-- the product candidate is not cost effective in light of existing therapeutics

Several of our product candidates have failed at various stages in the product development process, including Brain Derived Neurotrophic Factor ("BDNF"), Megakaryocyte Growth and Development Factor ("MGDF") and Glial Cell-line Derived Neurotrophic Factor ("GDNF"). For example, in 1997, we announced the failure of BDNF for the treatment of amyotrophic lateral sclerosis, or Lou Gehrig's Disease, because the product candidate, when administered by injection, did not produce acceptable clinical results for a specific use after a phase 3 trial, even though BDNF had progressed successfully through preclinical and earlier clinical trials. In addition, in 1998, we discontinued development of MGDF, a novel platelet growth factor, at the phase 3 trial stage after several people in platelet donation trials developed low platelet counts and neutralizing antibodies. In 1999 we discontinued development of GDNF after a phase 1/2 trial of GDNF in Parkinson's disease failed to demonstrate a statistically significant benefit. Of course, there may be other factors that prevent us from marketing a product. We cannot guarantee we will be able to produce commercially successful products. Further, clinical trial results are frequently susceptible to varying interpretations by scientists, medical personnel, regulatory personnel, statisticians, and others which may delay, limit, or prevent further clinical development or regulatory approvals of a product candidate. Also, the length of time that it takes for us to complete clinical trials and obtain regulatory approval for product marketing has in the past varied by product and by the intended use of a product. We expect that this will likely be the case with future product candidates and we cannot predict the length of time to complete necessary clinical trials and obtain regulatory approval. See "- Our current products and products in development cannot be sold if we do not obtain and maintain regulatory approval."

Our current products and products in development cannot be sold if we do not obtain and maintain regulatory approval.

We conduct research, preclinical testing, and clinical trials and we manufacture our product candidates. We also manufacture, price, sell, distribute, and market our products for their approved indications. These activities are subject to extensive regulation by numerous state and federal governmental authorities in the U.S., such as the FDA and HCFA, as well as by foreign countries, including the European Union. Currently, we are required in the U.S. and in foreign countries to obtain approval from those countries' regulatory authorities before we can market and sell our products in those countries. In our experience, obtaining regulatory approval is costly and takes many years, and after it is obtained, it remains costly to maintain. The FDA and other U.S. and foreign regulatory agencies have substantial discretion to terminate clinical trials, require additional testing, delay or withhold registration and marketing approval, and mandate product withdrawals. EPOGEN(R), Kineret(TM), and Neulasta(TM) are currently approved in the U.S. and NEUPOGEN(R) and Aranesp(TM) are currently approved in the

U.S., the EU, and in some other foreign countries for specific uses. We currently manufacture EPOGEN(R), NEUPOGEN(R), Aranesp(TM), Kineret(TM), Neulasta(TM), and INFERGEN(R) and market EPOGEN(R), NEUPOGEN(R), Aranesp(TM), and Kineret(TM), and we plan to manufacture and market many of our potential products. Even though we have obtained regulatory approval for EPOGEN(R), NEUPOGEN(R), Aranesp(TM), Kineret(TM), Neulasta(TM), and INFERGEN(R), these products and our manufacturing processes are subject to continued review by the FDA and other regulatory authorities. In addition, later discovery of unknown problems with our products or manufacturing processes could result in restrictions on such products or manufacturing processes, including potential withdrawal of the products from the market. If regulatory authorities determine that we have violated regulations or if they restrict, suspend, or revoke our prior approvals, they could prohibit us from manufacturing or selling EPOGEN(R), NEUPOGEN(R), Aranesp(TM), Kineret(TM), Neulasta(TM), and INFERGEN(R) until we comply or indefinitely. In addition, if regulatory authorities determine that we have not complied with regulations in the research and development of a product candidate, then they may not approve the product candidate and we will not be able to market and sell it. If we are unable to market and sell our products or product candidates, our business would be adversely affected.

Guidelines and recommendations published by various organizations can reduce the use of our products.

Government agencies promulgate regulations and guidelines directly applicable to us and to our products. However, professional societies, practice management groups, private health/science foundations, and organizations involved in various diseases from time to time may also publish guidelines or recommendations to the health care and patient communities. Recommendations of government agencies or these other groups/organizations may relate to such matters as usage, dosage, route of administration, and use of concomitant therapies. Organizations like these have in the past made recommendations about our products. Recommendations or guidelines that are followed by patients and health care providers could result in decreased use of our products. In addition, the perception by the investment community or stockholders that recommendations or guidelines will result in decreased use of our products could adversely affect prevailing market prices for our common stock.

Our sales depend on payment and reimbursement from third party payors, and a reduction in the payment rate or reimbursement could result in decreased use or sales of our products.

In both domestic and foreign markets, sales of our products are dependent, in part, on the availability of reimbursement from third party payors such as state and federal governments, under programs such as Medicare and Medicaid in the U.S., and private insurance plans. In certain foreign markets, the pricing and profitability of our products generally are subject to government controls. In the U.S., there have been, and we expect there will continue to be, a number of state and federal proposals that could limit the amount that state or federal governments will pay to reimburse the cost of drugs. In addition, we believe the increasing emphasis on managed care in the U.S. has and will continue to put pressure on the price and usage of our products, which may adversely impact product sales. Further, when a new therapeutic product is approved, the availability of governmental and/or private reimbursement for that product is uncertain, as is the amount for which that product will be reimbursed. We cannot predict the availability or amount of reimbursement for our recently approved products or product candidates, including those at a late stage of development, and current reimbursement policies for existing products may change at any time. For example, we believe that sales of Aranesp(TM) are and will be affected by government and private payor reimbursement policies.

If reimbursement for EPOGEN(R) and NEUPOGEN(R) changes adversely or if we fail to obtain adequate reimbursement for our other current or future products, health care providers may limit how much or under what circumstances they will administer them, which could reduce the use of our products or cause us to reduce the price of our products. This could result in lower product sales or revenues which could have a material adverse effect on us and our results of operations. For example, in the U.S. the use of EPOGEN(R) in connection with treatment for end stage renal disease is funded primarily by the U.S. federal government. In early 1997, HCFA instituted a reimbursement change for EPOGEN(R) which adversely affected Amgen's EPOGEN(R) sales, until the

policies were revised. Therefore, as in the past, EPOGEN(R) sales could be adversely affected by future changes in reimbursement rates or the basis for reimbursement by the federal government for the end stage renal disease program.

If our intellectual property positions are challenged, invalidated or circumvented, or if we fail to prevail in present and future intellectual property litigation, our business could be adversely affected.

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and often involve complex legal, scientific, and factual questions. To date, there has emerged no consistent policy regarding breadth of claims allowed in such companies' patents. Third parties may challenge, invalidate, or circumvent our patents and patent applications relating to our products, product candidates, and technologies. In addition, our patent positions might not protect us against competitors with similar products or technologies because competing products or technologies may not infringe our patents. For certain of our product candidates, there are third parties who have patents or pending patents that they may claim prevent us from commercializing these product candidates in certain territories. Patent disputes are frequent, costly and can preclude commercialization of products. We are currently, and in the future may be, involved in patent litigation. For example, we are involved in ongoing patent infringement lawsuits against Transkaryotic Therapies, Inc. and Aventis with respect to our erythropoietin patents. The trial court decided in our favor on January 19, 2001, however, Transkaryotic Therapies, Inc. and Aventis have appealed the decision. If we ultimately lose these or other litigations we could be subject to competition and/or significant liabilities, we could be required to enter into third party licenses for the infringed product or technology, or we could be required to cease using the technology or product in dispute. In addition, we cannot guarantee that such licenses will be available on terms acceptable to us.

Our success depends in part on our ability to obtain and defend patent rights and other intellectual property rights that are important to the commercialization of our products and product candidates. We have filed applications for a number of patents and have been granted patents or obtained rights relating to erythropoietin, recombinant G-CSF and our other products and potential products. We market our erythropoietin and G-CSF products as EPOGEN(R) and NEUPOGEN(R), respectively. In the United States, we have been issued or obtained rights to several patents relating to erythropoietin that generally cover DNA and host cells, processes for making erythropoietin, various product claims to erythropoietin, cells that make levels of erythropoietin, and pharmaceutical compositions of erythropoietin. We have also been issued or obtained rights to U.S. patents relating to G-CSF that cover aspects of DNA, vectors, cells, processes, polypeptides, methods of treatment using G-CSF polypeptides, methods of enhancing bone marrow transplantation, and treating burn wounds, methods for recombinant production of G-CSF and analogs of G-CSF. We also have been granted or obtained rights to a patent in the EU relating to erythropoietin and a patent in the EU relating to G-CSF, two patents in the EU relating to darbepoetin alfa and hyperglycosylated erythropoietic proteins, and a patent in the U.S. and a patent in the EU relating to anakinra.

We face substantial competition, and others may discover, develop, acquire or commercialize products before or more successfully than we do.

We operate in a highly competitive environment. Our products compete with other products or treatments for diseases for which our products may be indicated. For example, although we maintain a substantial share of the chemotherapy induced neutropenia market, NEUPOGEN(R) competes in certain circumstances against a product marketed by Immunex. EPOGEN(R) faces competition from other treatments for anemia in end stage renal disease patients in the U.S. Further, we believe that some of our newly approved products and late stage product candidates may face competition when and as they are approved and marketed. For example, Aranesp(TM) competes with an Epoetin alfa product marketed by Johnson & Johnson in certain anemia markets and Kineret(TM) competes in certain circumstances with rheumatoid arthritis products marketed by Immunex/American Home Products Corporation, Centocor Inc./Johnson & Johnson, and others. Additionally, some of our competitors, including biotechnology and pharmaceutical companies, market products or are actively engaged in research and development in areas where we are developing product candidates. Large pharmaceutical corporations may have

greater clinical, research, regulatory, and marketing resources than we do. In addition, some of our competitors may have technical or competitive advantages over us for the development of technologies and processes. These resources may make it difficult for us to compete with them to successfully discover, develop, and market new products.

Our operating results may fluctuate, and this fluctuation could cause financial results to be below expectations.

Our operating results may fluctuate from period to period for a number of reasons. In budgeting our operating expenses, we assume that revenues will continue to grow; however, some of our operating expenses are fixed in the short term. Because of this, even a relatively small revenue shortfall may cause a period's results to be below our expectations or projections. A revenue shortfall could arise from any number of factors, some of which we cannot control. For example, we may face:

-- lower than expected demand for our products

-- changes in the government's or private payors' reimbursement policies for our products

-- changes in wholesaler buying patterns

-- increased competition from new or existing products

-- fluctuations in foreign currency exchange rates

-- changes in our product pricing strategies

Of these, we would only have control over changes in our product pricing strategies and, of course, there may be other factors that affect our revenues in any given period.

We plan to grow rapidly, and if we fail to adequately manage that growth our business could be adversely impacted.

We have an aggressive growth plan that includes substantial and increasing investments in research and development, sales and marketing and facilities. Our plan has a number of risks, some of which we cannot control. For example:

-- we may need to generate higher revenues to cover a higher level of operating expenses, and our ability to do so may depend on factors that we do not control

-- we may need to attract and assimilate a large number of new employees

-- we may need to manage complexities associated with a larger and faster growing organization

-- we will need to accurately anticipate demand for the products we manufacture and maintain adequate manufacturing capacity, and our ability to do so may depend on factors that we do not control

Of course, there may be other risks and we cannot guarantee that we will be able to successfully manage these or other risks.

Our stock price is volatile, which could adversely affect your investment.

Our stock price, like that of other biotechnology companies, is highly volatile. For example, in the fifty-two weeks prior to February 25, 2002, the trading price of our common stock has ranged from a high of $75.06 per share to a low of $45.44 per share. Our stock price may be affected by such factors as:

-- clinical trial results

-- product development announcements by us or our competitors

-- regulatory matters

-- announcements in the scientific and research community

-- intellectual property and legal matters

-- changes in reimbursement policies or medical practices

-- broader industry and market trends unrelated to our performance

In addition, if our revenues or earnings in any period fail to meet the investment community's expectations, there could be an immediate adverse impact on our stock price.

The value of our common stock to be issued to Immunex shareholders in the merger will fluctuate.

In the merger, Immunex shareholders will receive 0.44 of a share of our stock and $4.50 in cash for each share of Immunex common stock they own. As a result of Immunex shareholders receiving a portion of the merger consideration in shares of our stock, the value of the merger consideration to be received by Immunex shareholders will depend on the market price of our stock at the time the merger is completed. The market price of our stock at the closing of the merger will likely vary from time to time. These variations may be caused by a number of factors, including changes in the businesses, operations or prospects of Amgen or Immunex, the timing of the merger, regulatory considerations, and general market and economic conditions. See "--Our stock price is volatile, which could adversely affect your investment." Additionally, the payment of our common stock to Immunex shareholders in connection with the merger would dilute the share ownership of our existing common stockholders and may affect the value of our common stock. The merger consideration will not be adjusted for any increase or decrease in the market price of our stock or Immunex common stock.

We may not realize all of the anticipated benefits of the merger.

The success of the merger will depend, in part, on our ability to realize the anticipated synergies, cost savings, and growth opportunities from integrating the businesses of Immunex with the businesses of Amgen. Our success in realizing these benefits and the timing of this realization depend upon the successful integration of the operations of Immunex. The integration of two independent companies is a complex, costly, and time-consuming process. The difficulties of combining the operations of the companies include, among others:

-- consolidating research and development and manufacturing operations

-- retaining key employees

-- consolidating corporate and administrative infrastructures

-- coordinating sales and marketing functions

-- preserving our and Immunex's research and development, distribution, marketing, promotion, and other important relationships

-- minimizing the diversion of management's attention from ongoing business concerns

-- coordinating geographically separate organizations

We cannot assure you that the integration of Immunex with us will result in the realization of the full benefits anticipated by us to result from the merger.

Our business and stock price may be adversely affected if the merger with Immunex is not completed.

Our acquisition of Immunex is subject to several customary conditions, including obtaining clearance from governmental entities and the approvals of the transaction by our stockholders and those of Immunex. If our acquisition of Immunex is not completed, we could be subject to a number of risks that may adversely affect our business and stock price, including:

-- the diversion of our management's attention from our day-to-day business and the disruption to our employees and our relationships with customers and joint venture partners as a result of efforts relating to the acquisition

-- the market price of shares of our stock may decline to the extent that the current market price reflects a market assumption that the acquisition will be completed

-- under certain circumstances, we could be required to pay Immunex a $475 million termination fee

-- we must pay costs related to the merger, such as legal and accounting fees and a portion of the investment banking fees, and, under certain circumstances, could be required to reimburse Immunex for up to $15 million of costs

-- we would not realize the benefits we expect by acquiring Immunex

Item 2. PROPERTIES

Amgen's principal executive offices and a majority of its administrative, manufacturing, and research and development facilities are located in forty buildings in Thousand Oaks, California. Thirty-six of the buildings are owned and four are leased. Adjacent to these buildings are facilities that are under construction and additional property for future expansion. The Thousand Oaks, California properties include manufacturing facilities licensed by various regulatory bodies that produce commercial quantities of Epoetin alfa, NEUPOGEN(R), Aranesp(TM), INFERGEN(R), and Neulasta(TM).

Amgen owns two buildings and leases four buildings in Boulder, Colorado, housing research facilities and a manufacturing facility capable of producing commercial quantities of Kineret(TM). The Company has a manufacturing complex in Longmont, Colorado, that is licensed to produce commercial quantities of Epoetin alfa. Amgen also plans on using the Longmont facility to produce commercial quantities of Aranesp(TM). The Company has acquired approximately 159 acres of undeveloped land adjacent to the Longmont site to accommodate future expansion.

Elsewhere in North America, the Company owns a distribution center in Louisville, Kentucky, and a research facility in Cambridge, Massachusetts. The Company leases administrative offices in Washington, D.C. and Canada, and five regional sales offices in the U.S.

Outside North America, the Company has a manufacturing facility in Juncos, Puerto Rico, and a European packaging and distribution center in Breda, The Netherlands, which have been licensed by various regulatory bodies. In 2001, the Company purchased approximately 76 acres of undeveloped land adjacent to its current Juncos manufacturing facility to accommodate future expansion. The Company leases facilities in thirteen European countries, Australia, New Zealand, Japan, and Taiwan for administration, marketing, and/or research and development.

Amgen believes that its existing facilities plus anticipated additions are sufficient to meet its current needs.

Item 3. LEGAL PROCEEDINGS

Certain of the Company's legal proceedings are discussed below. While it is impossible to predict accurately or to determine the eventual outcome of these matters, the Company believes that the outcome of these proceedings will not have a material adverse effect on the annual financial statements of the Company.

Biogen litigation

On March 10, 1995, Biogen, Inc. ("Biogen") filed suit in the United States District Court for the District of Massachusetts (the "Massachusetts District Court") alleging infringement by the Company of certain claims of U.S. Patent No. 4,874,702 (the "'702 Patent"), relating to vectors for expressing cloned genes. Biogen alleged that Amgen infringed its patent by manufacturing and selling NEUPOGEN(R). On March 28, 1995, Biogen filed an amended complaint further alleging that the Company also infringed the claims of two additional patents allegedly assigned to Biogen, U.S. Patent No. 5,401,642 (the "'642 Patent") and U.S. Patent No. 5,401,658 (the "'658 Patent"), relating to vectors, methods for making vectors and expressing cloned genes, and host cells.

In a separate matter, on July 30, 1997, Biogen filed a complaint in the Massachusetts District Court alleging that Amgen infringes claims 9 and 17 of the '702 Patent and the claims of the '642 and '658 Patents, identified above, by making and using the claimed subject matter in the United States in the manufacture of INFERGEN(R). In December 2001, the parties settled both actions. Pursuant to such settlement, the judge dismissed both actions with prejudice on December 28, 2001.

Genentech litigation

On October 16, 1996, Genentech, Inc. ("Genentech") filed suit in the United States District Court for the Northern District of California (the "California Court") for infringement of U.S. Patent Nos. 4,704,362, 5,221,619, and 4,342,832 (the "'362, '619, and '832 Patents"), relating to vectors for expressing cloned genes and the methods for such expression. Genentech alleged that Amgen infringed its patents by manufacturing and selling NEUPOGEN(R). On February 10, 1997, Genentech served an additional counterclaim asserting U.S. Patent No. 5,583,013 (the "'013 Patent"), issued December 10, 1996.

At a hearing held on May 29, 1998, the parties stipulated to the dismissal with prejudice of claims with respect to the '832 Patent. The judge issued a final claim construction ruling interpreting the '362, '619, and '013 Patent claims which, among other things, essentially limited the claim term "control region" to DNA taken from a single operon and not constructed from control elements derived from various operons. On October 12, 2000, the California Court entered Final Judgment in the Company's favor on the basis of no infringement. Genentech filed a notice of appeal. The parties filed briefs before the Federal Circuit Court of Appeals. Oral arguments were heard on October 9, 2001. The parties are currently awaiting a decision.

Transkaryotic Therapies and Aventis litigation

On April 15, 1997, Amgen filed suit in the Massachusetts District Court against Transkaryotic Therapies, Inc. ("TKT") and Hoechst Marion Roussel, Inc. ("HMR"--now Aventis Pharmaceuticals Inc., together with TKT, the "Defendants") alleging infringement of three U.S. patents owned by Amgen that claim an erythropoietin product and processes for making erythropoietin. The suit sought an injunction preventing the Defendants from making, importing, using, or selling erythropoietin in the U.S. On October 7, 1999, Amgen filed an amended complaint, which added two additional patents to the litigation. Defendants' amended answer asserted that all five of the patents-in-suit were not infringed, were invalid or were unenforceable due to inequitable conduct.

Amgen's motion for summary judgment of literal infringement was granted by the Massachusetts District Court on April 26, 2000 with respect to claim 1 of U.S. Patent No. 5,955,422 (the "'422 Patent"). On May 15, 2000, trial began in the Massachusetts District Court. On June 9, 2000, the Massachusetts District Court granted

Defendants' motion for non-infringement of U.S. Patent No. 5,618,698 (the "'698 Patent"), removing the '698 Patent from this action. On July 21, 2000, the Massachusetts District Court granted Amgen's motion for judgment on the Defendants' defenses of invalidity based upon anticipation and obviousness.

On January 19, 2001, the Massachusetts District Court ruled that claims 2-4 of the '080 Patent, claims 1, 3, 4, and 6 of the '349 Patent and claim 1 of the '422 Patent were valid, enforceable, and infringed by TKT's EPO product and the cells used to make such product. The Massachusetts District Court also held that claim 7 of the '349 patent and claims 1, 2, and 9 of the '933 Patent were not infringed, and that if infringed the claims of the '933 patent would be invalid.

On January 26, 2001, TKT and HMR filed a Notice of Appeal and on February 14, 2001, Amgen filed a Notice of Cross-Appeal, to the U.S. Court of Appeals for the Federal Circuit. On March 22, 2001, Amgen filed an Amended Notice of Cross-Appeal to include claim 9 of the '698 patent. TKT and HMR filed their appeal brief on April 23, 2001 and a corrected version of their brief on May 11, 2001. Amgen timely filed its appeal brief on December 28, 2001 and a corrected version of its brief on January 15, 2002. TKT and HMR filed a reply brief on February 5, 2002. Amgen filed its reply brief on February 22, 2002. Oral argument has not yet been scheduled.

Citizens for Consumer Justice, et. al. litigation

A class action complaint in which Amgen and twenty-seven other pharmaceutical manufacturers are named as defendants has come to Amgen's attention. The complaint was filed on December 19, 2001 in the Massachusetts District Court, and it broadly alleges that the defendants' reporting of prices for certain products had the effect of falsely overstating the Average Wholesale Price, allegedly inflating reimbursements, including co-payments, paid to providers who prescribe and administered the products. The complaint asserts claims under the federal RICO statute and federal antitrust laws. It is brought on behalf of a putative class of individuals and/or entities who paid any portion of the 20% co-payment and/or deductible amount under Medicare Part B for identified drugs manufactured or distributed by the defendants since 1993.

Johnson & Johnson arbitrations

The Company has filed a demand in an arbitration with Johnson & Johnson to terminate Johnson & Johnson's rights under a license agreement (the "License Agreement") relating to certain patented technology and know-how of the Company to sell Epoetin alfa throughout the U.S. for all human uses except dialysis and diagnostics and to recover damages for breach of the License Agreement based on the Company's claim that Johnson & Johnson has intentionally sold PROCRIT(R) (the brand name under which Johnson & Johnson sells Epoetin alfa) into the Company's exclusive dialysis market. The trial commenced in January 2002.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the Company's security holders during the last quarter of its fiscal year ended December 31, 2001.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock trades on The Nasdaq Stock Market under the symbol AMGN. As of February 26, 2002, there were approximately 15,000 holders of record of the Company's common stock. No cash dividends have been paid on the common stock to date, and the Company currently intends to utilize any earnings for development of the Company's business and for repurchases of its common stock.

The following table sets forth, for the fiscal periods indicated, the range of high and low closing sales prices of the common stock as quoted on The Nasdaq Stock Market for the years 2001 and 2000:

	High	Low
2001		
4th Quarter.....	$68.49	$56.03
3rd Quarter.....	65.66	54.01
2nd Quarter.....	70.02	51.51
1st Quarter.....	74.19	54.94
2000		
4th Quarter.....	$71.38	$54.13
3rd Quarter.....	78.00	64.94
2nd Quarter.....	70.38	51.31
1st Quarter.....	74.69	52.25

Item 6. SELECTED FINANCIAL DATA
(in millions, except per share data)

	Years ended December 31,				
	2001	2000	1999	1998	1997
Consolidated Statement of Operations Data:					
Revenues:					
Product sales(1)	$3,511.0	$3,202.2	$3,042.8	$2,514.4	$2,219.8
Other revenues	504.7	427.2	297.3	203.8	181.2
Total revenues	4,015.7	3,629.4	3,340.1	2,718.2	2,401.0
Research and development expenses	865.0	845.0	822.8	663.3	630.8
Selling, general and administrative expenses	970.7	826.9	654.3	515.4	483.8
Other items, net(2)	203.1	(18.8)	(49.0)	(23.0)	157.0
Net income	1,119.7	1,138.5	1,096.4	863.2	644.3
Diluted earnings per share(2)	1.03	1.05	1.02	0.82	0.59
Cash dividends declared per share	--	--	--	--	--

	At December 31,				
	2001	2000	1999	1998	1997
Consolidated Balance Sheet Data:					
Total assets	$6,443.1	$5,399.6	$4,077.6	$3,672.2	$3,110.2
Long-term debt	223.0	223.0	223.0	223.0	229.0
Stockholders' equity	5,217.2	4,314.5	3,023.5	2,562.2	2,139.3

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(1) Due to Year 2000 contingency planning in the fourth quarter of 1999, the Company offered extended payment terms on limited shipments of EPOGEN(R) and NEUPOGEN(R) to certain wholesalers. These Year 2000-related sales totaled $45 million, or $0.02 per share, in 1999.

(2) The amount in 2001 is primarily related to the costs of terminating collaboration agreements with various third parties. The amount in 2000 includes a write-off of acquired in-process research and development of $30.1 million, a charitable contribution of $25 million to the Amgen Foundation, and a $73.9 million benefit related to a legal proceeding. The amounts in other years are comprised of benefits and expenses also related to this legal proceeding. See Notes 4 and 11 to the Consolidated Financial Statements for a discussion of the amounts in 2001, 2000, and 1999. In 2001, the amount in other items, net combined with an inventory write-off of $39.5 million recorded in cost of sales decreased earnings per share by $0.15. Other items, net increased/(decreased) earnings per share by $0.00 in 2000, $0.03 in 1999, $0.01 in 1998, and ($0.09) in 1997.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

The Company had cash, cash equivalents, and marketable securities of $2,662.2 million and $2,028.1 million at December 31, 2001 and 2000, respectively. Cash provided by operating activities has been and is expected to continue to be the Company's primary source of funds. Cash provided from operations was $1,480.2 million and $1,634.6 million in 2001 and 2000, respectively.

Capital expenditures totaled $441.8 million in 2001 compared with $437.7 million in 2000. The Company anticipates spending approximately $450 million to $550 million in 2002 on capital projects and equipment to expand its global operations.

The Company receives cash from the exercise of employee stock options and proceeds from the sale of stock by Amgen pursuant to the employee stock purchase plan. Employee stock option exercises and proceeds from the sale of stock by Amgen pursuant to the employee stock purchase plan provided $277.7 million and $333.7 million of cash in 2001 and 2000, respectively. Proceeds from the exercise of employee stock options will vary from period to period based upon, among other factors, fluctuations in the market value of the Company's stock relative to the exercise price of such options.

The Company has a stock repurchase program primarily to reduce the dilutive effect of its employee stock option and stock purchase plans. In 2001, the Company repurchased 12.7 million shares of its common stock at a total cost of $737.5 million. In 2000, the Company repurchased 12.2 million shares of its common stock at a total cost of $799.9 million. In December 2000, the Board of Directors authorized the Company to repurchase up to $2 billion of common stock between January 1, 2001 and December 31, 2002. The amount the Company spends on and the number of shares repurchased each quarter varies based on a variety of factors, including the stock price and blackout periods in which the Company is restricted from repurchasing shares. As of December 31, 2001, $1,262.5 million was available for stock repurchases through December 31, 2002.

On February 22, 2002, the Company announced that it has agreed to issue $3.5 billion in aggregate face amount of 30-year zero coupon senior notes (the "Convertible Notes") that are convertible into shares of the Company's common stock. The proceeds from the offering, net of estimated issuance costs, are expected to be approximately $2.45 billion. The Company may raise up to an additional $321 million upon exercise of an over-allotment option that has been granted in connection with the offering. The Company expects to use approximately $650 million of the net proceeds to repurchase shares of its common stock simultaneously with the issuance of the Convertible Notes, with the remaining proceeds to be used for general corporate purposes. The terms of the Convertible Notes include a yield to maturity of 1.125% and an initial conversion premium of 40%. The issuance of the Convertible Notes is subject to customary closing conditions and is expected to be completed by March 1, 2002.

To provide for financial flexibility and increased liquidity, the Company has established several other sources of debt financing. As of December 31, 2001, the Company had $223 million of unsecured long-term debt securities outstanding. These unsecured long-term debt securities consisted of: 1) $100 million of debt securities that bear interest at a fixed rate of 6.5% and mature in 2007 under a $500 million debt shelf registration (the "Shelf"), 2) $100 million of debt securities that bear interest at a fixed rate of 8.1% and mature in 2097, and 3) $23 million of debt securities that bear interest at a fixed rate of 6.2% and mature in 2003. As of December 31, 2001, the Company's outstanding long-term debt was rated A2 by Moody's and A by Standard & Poor's. Under the Shelf, all of the remaining $400 million of debt securities available for issuance may be offered under the Company's medium-term note program with terms to be determined by market conditions.

The Company's sources of debt financing also include a commercial paper program which provides for unsecured short-term borrowings up to an aggregate face amount of $200 million. As of December 31, 2001, commercial paper with a face amount of $100 million was outstanding. These borrowings had maturities of less

than one month and had effective interest rates averaging 1.9%. In addition, the Company has an unsecured $150 million committed credit facility with five participating banking institutions that expires on May 28, 2003. This credit facility supports the Company's commercial paper program. As of December 31, 2001, no amounts were outstanding under this credit facility.

The primary objectives for the Company's fixed income investment portfolio are liquidity and safety of principal. Investments are made to achieve the highest rate of return to the Company, consistent with these two objectives. The Company's investment policy limits investments to certain types of instruments issued by institutions with investment grade credit ratings and places restrictions on maturities and concentration by type and issuer.

The Company believes that existing funds, cash generated from operations, and existing sources of debt financing (including the pending issuance of the Convertible Notes) are adequate to satisfy its working capital and capital expenditure requirements for the foreseeable future, as well as to support its stock repurchase program and the proposed acquisition of Immunex Corporation ("Immunex") (see "Proposed Merger with Immunex"). However, the Company may raise additional capital from time to time.

Results of Operations

Product sales

Product sales primarily consist of sales of EPOGEN(R) (Epoetin alfa), Aranesp(TM) (darbepoetin alfa), and NEUPOGEN(R) (Filgrastim). In 2001, product sales were $3,511.0 million, an increase of $308.8 million or 10% over the prior year. Product sales were $3,202.2 million in 2000, an increase of $159.4 million or 5% over the prior year. Product sales are influenced by a number of factors, including underlying demand, wholesaler inventory management practices, and foreign exchange effects.

EPOGEN(R)/Aranesp(TM)

In 2001, the Company received approval to market Aranesp(TM) in the U.S. (September 2001), most countries in the European Union ("EU"), Australia, and New Zealand for the treatment of anemia associated with chronic renal failure, including patients on dialysis and patients not on dialysis.

Combined EPOGEN(TM) and Aranesp(TM) sales in 2001 were $2,150.0 million, an increase of $187.1 million or 10% over 2000 EPOGEN(R) sales. This increase was primarily due to higher EPOGEN(R) demand, which includes the effect of higher prices and growth in the U.S. dialysis patient population, and to a lesser extent, the launch of Aranesp(TM) in the U.S. and Europe. The reported sales growth was negatively impacted to a slight degree by wholesaler inventory changes. Worldwide Aranesp(TM) sales in 2001 were $41.5 million.

EPOGEN(R) sales in 2000 were $1,962.9 million, an increase of $203.8 million or 12% over the prior year. This increase was primarily due to higher demand, which was principally driven by growth in the U.S. dialysis patient population and to a lesser extent, the effect of higher prices. Sales in 2000 were adversely impacted by Year 2000-related sales to wholesalers in the fourth quarter of 1999 for which the Company provided extended payment terms and, the Company believes, by dialysis provider inventory drawdowns in 2000 of additional 1999 year-end stockpiling. The Company believes that some of this dialysis provider stockpiling may have been due to Year 2000 concerns and year-end contract expirations.

NEUPOGEN(R)

Worldwide NEUPOGEN(R) sales in 2001 were $1,346.4 million, an increase of $122.7 million or 10% over the prior year. This increase was primarily due to worldwide demand growth, which includes the effect of higher prices in the U.S.

Worldwide NEUPOGEN(R) sales were $1,223.7 million in 2000, a decrease of $32.9 million or 3% from the prior year. This decrease was primarily due to the adverse impact of wholesaler buying patterns, including Year 2000-related sales to wholesalers in the fourth quarter of 1999 for which the Company provided extended payment terms, as well as adverse foreign exchange effects. The Company believes these factors were partially offset by a mid-single digit rate increase in demand, which includes the effect of higher prices in the U.S.

Corporate partner revenues

In 2001, corporate partner revenues were $252.0 million, an increase of $5.8 million or 2% over the prior year. This increase was due to slightly higher revenues, primarily related to INFERGEN(R), substantially offset by lower amounts earned from Kirin-Amgen, Inc. In 2000, corporate partner revenues were $246.2 million, an increase of $84.8 million or 53% over the prior year. This increase was primarily due to amounts earned from Kirin-Amgen, Inc. related to the development program for Aranesp(TM).

Royalty income

In 2001, royalty income was $252.7 million, an increase of 40% over the prior year. In 2000, royalty income was $181.0 million, an increase of 33% over the prior year. These increases were primarily due to higher royalties from Johnson & Johnson relating to their sales of Epoetin alfa.

Cost of sales

Cost of sales as a percentage of product sales was 12.6%, 12.8%, and 13.2% for 2001, 2000, and 1999, respectively. The decrease in 2001 was primarily due to reduced royalty obligations, substantially offset by the impact of the $39.5 million write-off of certain inventory in the fourth quarter of 2001. The decrease in 2000 was primarily due to increased manufacturing efficiencies.

Research and development

In 2001, research and development expenses increased $20.0 million or 2% over the prior year. This increase was primarily due to higher staff-related costs necessary to support ongoing research and product development activities, partially offset by lower clinical manufacturing and product licensing-related costs.

In 2000, research and development expenses increased $22.2 million or 3% over the prior year. This increase was primarily due to higher staff-related costs necessary to support ongoing research and product development activities and higher clinical trial costs. These increases were substantially offset by a reduction in clinical manufacturing and product licensing-related costs.

Selling, general and administrative

In 2001, selling, general and administrative ("SG&A") expenses increased $143.8 million or 17% over the prior year. This increase was primarily due to higher outside marketing expenses, staff-related costs, and consulting expenses as support for new product launches was increased.

In 2000, SG&A expenses increased $172.6 million or 26% over the prior year. This increase was primarily due to higher staff-related costs and outside marketing expenses as the Company continued to support its existing products and prepared for anticipated new product launches.

Other items, net

In 2001, other items, net primarily consisted of costs associated with the termination of collaboration agreements with various third parties, including PRAECIS PHARMACEUTICALS INCORPORATED and certain

academic institutions. In 2000, other items, net consisted of three items: 1) legal award associated with the spillover arbitration with Johnson & Johnson, 2) a write-off of acquired in-process research and development associated with the acquisition of Kinetix Pharmaceuticals, Inc., and 3) a charitable contribution to the Amgen Foundation. In 1999, other items, net consisted of a reduction in liabilities related to the spillover arbitration with Johnson & Johnson. See Note 4 to the Consolidated Financial Statements for a discussion of the 2001, 2000, and 1999 items.

Interest and other income, net

In 2001, interest and other income, net increased $22.5 million or 15% over the prior year. This increase was due to higher interest income generated from the Company's investment portfolio as a result of higher average cash balances, partially offset by lower interest rates in 2001 and higher gains on the sale of equity investments that occurred in 2000.

In 2000, interest and other income, net increased $57.9 million or 66% over the prior year. This increase was primarily due to gains realized on the sale of certain equity securities in the Company's portfolio and higher interest income generated from the Company's investment portfolio as a result of higher average cash balances and higher interest rates.

Income taxes

The Company's effective tax rate was 33.6%, 32.0%, and 30.0% for 2001, 2000, and 1999, respectively. The Company's tax rate in 2001 has increased, in part, due to the absence of capital loss carryforwards that benefited 2000. The tax rate in all three years reflected the tax benefits from the sale of products manufactured in the Company's Puerto Rico manufacturing facility. In addition, the 2001 and 2000 tax rates increased as a result of increased taxable income combined with a provision in the federal tax law that caps tax benefits associated with the Company's Puerto Rico operations at the 1995 income level. The 2000 tax rate increased also as a result of the write-off of acquired in-process research and development, which is not deductible for tax purposes.

Proposed Merger with Immunex

On December 16, 2001, the Company signed a definitive agreement to acquire Immunex Corporation ("Immunex") in a transaction to be accounted for as a purchase. Immunex is a biopharmaceutical company dedicated to developing immune system science to protect human health. Under the terms of the agreement, each share of Immunex common stock outstanding at the closing of the merger, other than shares as to which dissenters' rights have been validly exercised, will be converted into 0.44 of a share of Amgen common stock and $4.50 cash. In addition, at the closing of the merger each option outstanding to purchase a share of Immunex common stock will be assumed by Amgen and exchanged into an option to purchase Amgen common stock based on the terms of the merger agreement. The estimated purchase price is approximately $17.6 billion, which includes the cash portion of the merger consideration, the estimated fair values of Amgen stock issued and options to be exchanged, and the direct transaction costs. The final purchase price will be determined based upon the number of Immunex shares and options outstanding at the closing date. The transaction is expected to close in the second half of 2002, subject to approval by shareholders of both companies, customary regulatory approvals, as well as other customary closing conditions. More information about this transaction is available in Amgen's Current Report on Form 8-K filed with the SEC on December 17, 2001 which is incorporated herein by reference. Unless otherwise indicated, the discussions in this document relate to Amgen as a stand-alone entity and do not reflect the impact of the proposed merger with Immunex.

Financial Outlook

In the future, the Company expects the growth of its anemia business to be driven primarily by Aranesp(TM) sales in new markets. The Company expects growth in its U.S. dialysis business to come primarily from patient

population growth and inflation-related price increases. Patients receiving treatment for end stage renal disease are covered primarily under medical programs provided by the federal government. Therefore, EPOGEN(R) sales may also be affected by future changes in reimbursement rates or a change in the basis for reimbursement by the federal government. Worldwide Aranesp(TM) sales will be dependent in part upon such factors as the effects of competitive pressures, penetration of existing and new market opportunities, the availability and extent of reimbursement by third-party payors including governments and private insurance plans, and changes in foreign currency exchange rates.

Future NEUPOGEN(R) demand is dependent primarily upon penetration of existing markets, inflation-related price increases, and the effects of competitive products. In addition, chemotherapy treatments that are less myelosuppressive may require less NEUPOGEN(R). NEUPOGEN(R) usage is expected to continue to be affected by cost containment pressures from governments and private insurers on health care providers worldwide. In addition, reported NEUPOGEN(R) sales will continue to be affected by changes in foreign currency exchange rates. In both domestic and foreign markets, sales of NEUPOGEN(R) are dependent, in part, on the availability of reimbursement from third-party payors such as governments (for example, Medicare and Medicaid programs in the U.S.) and private insurance plans. Therefore, NEUPOGEN(R) sales may also be affected by future changes in reimbursement rates or changes in the bases for reimbursement.

In January 2002, the Company received regulatory approval to market Neulasta(TM), its new white blood cell booster, in the U.S. Neulasta(TM), administered as a single fixed dose per chemotherapy cycle, is indicated for decreasing the incidence of infection, as manifested by febrile neutropenia in patients with non-myeloid malignancies receiving myelosuppressive anti-cancer drugs associated with clinically significant incidence of febrile neutropenia. The Company expects to launch Neulasta(TM) in April 2002. Once launched, Neulasta may impact NEUPOGEN(R) sales as health care providers in the U.S. may transition from administering NEUPOGEN(R) to Neulasta(TM).

In November 2001, the Company received regulatory approval to market Kineret(TM) (anakinra) in the U.S. for the reduction in signs and symptoms of moderately to severely active rheumatoid arthritis in adult patients who have failed one or more disease modifying antirheumatic drugs.

The Company is providing this information as of the filing date of the Company's Annual Report on Form 10-K for the year ended December 31, 2001, and does not plan to update this information and expressly disclaims any duty to update the information contained in this filing, except as required by law.

Except for the historical information contained herein, the matters discussed herein are by their nature forward-looking. Investors are cautioned that forward-looking statements or projections made by the Company, including those made in this document, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Reference is made in particular to forward-looking statements regarding product sales, expenses, liquidity and the Convertible Notes, and the proposed merger with Immunex. Amgen operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. Future operating results and the Company's stock price may be affected by a number of factors, including, without limitation: (i) the results of preclinical and clinical trials; (ii) regulatory approvals of product candidates, new indications, and manufacturing facilities; (iii) health care guidelines and policies relating to Amgen's products; (iv) reimbursement for Amgen's products by governments and private payors; (v) intellectual property matters (patents) and the results of litigation; (vi) competition; (vii) fluctuations in operating results; and (viii) rapid growth of the Company. The proposed merger with Immunex may fail to close or the terms of the merger may need to be modified to achieve regulatory approval. Depending on the timing of the merger, and other factors, Amgen may not realize all of the anticipated benefits of the merger, including the anticipated synergies, cost savings, and growth opportunities from integrating the businesses of Immunex with the businesses of Amgen. Additionally, the value of the Amgen common stock to be issued to the Immunex

shareholders in connection with the merger will fluctuate. These factors and others are discussed herein and in the sections appearing under the heading "Business--Factors That May Affect Amgen" and in Amgen's other filings with the Securities and Exchange Commission, which sections are incorporated herein by reference.

Summary of Critical Accounting Policies

EPOGEN(R) revenue recognition

The Company has the exclusive right to sell Epoetin alfa for dialysis, certain diagnostics, and all non-human, non-research uses in the United States. Amgen has granted to Johnson & Johnson a license relating to Epoetin alfa for sales in the United States for all human uses except dialysis and diagnostics. Pursuant to this license, the Company and Johnson & Johnson are required to compensate each other for Epoetin alfa sales that either party makes into the other party's exclusive market, sometimes referred to as "spillover" sales. Accordingly, Amgen does not recognize product sales it makes into the exclusive market of Johnson & Johnson and does recognize the product sales made by Johnson & Johnson into Amgen's exclusive market. Sales in Amgen's exclusive market are derived from the Company's sales to its customers, as adjusted for any spillover sales. The Company is employing an arbitrated audit methodology to measure each party's spillover sales based on independent third-party data on shipments to end users and their estimated usage. Data on end user usage is derived in part using market sampling techniques, and accordingly, the results of such sampling can produce variability in recognized spillover sales. The Company initially recognizes spillover sales based on estimates of shipments to end users and their usage, utilizing historical third-party data and subsequently adjusts such amounts based on revised third-party data as received. Differences between initially estimated spillover sales and amounts based on revised third-party data could produce materially different amounts for recognized EPOGEN(R) sales. However, such differences to date have not been material.

Inventory capitalization

The Company capitalizes inventory costs associated with certain product candidates prior to regulatory approval, based on management's judgment of probable future commercialization. The Company would be required to expense previously capitalized costs related to pre-approval inventory upon a change in such judgment, due to, among other factors, a decision denying approval of the product candidate by the necessary regulatory bodies. At December 31, 2001, capitalized inventory related to the product candidate Neulasta(TM) totaled $8.8 million. In January 2002, the Company received regulatory approval to market Neulasta(TM) in the U.S.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest income earned on the Company's investment portfolio is affected by changes in the general level of U.S. interest rates. In 2001, the Company entered into interest rate swap agreements on a portion of its available-for-sale investment portfolio, effectively converting these fixed income investments to variable income investments. The Company's short-term borrowings effectively bear interest at variable rates and therefore, changes in U.S. interest rates affect interest expense incurred thereon. Changes in interest rates do not affect interest expense incurred on the Company's long-term borrowings because they all bear interest at fixed rates. The following tables provide information about the Company's financial instruments that are sensitive to changes in interest rates. For the Company's investment portfolio and debt obligations, the tables present principal cash flows and related weighted-average interest rates by expected maturity dates. Additionally, the Company has assumed its available-for-sale debt securities, comprised primarily of corporate debt instruments and treasury securities, are similar enough to aggregate those securities for presentation purposes. For the interest rate swaps, the 2001 table presents the notional amount and weighted-average interest rates by contractual maturity date. The notional amount is used to calculate the contractual cash flows to be exchanged under the contract.

Interest Rate Sensitivity
Principal Amount by Expected Maturity as of December 31, 2001
(Dollars in millions)
Average Interest Rate

	2002	2003	2004	2005	2006	Thereafter	Total	Fair Value 12/31/01
Available-for-sale debt securities	$1,466.9	$362.9	$390.6	$163.9	$115.0	--	$2,499.3	$2,568.0
Interest rate	4.4%	6.6%	5.8%	7.0%	5.1%	--		
Commercial paper obligations	$ 100.0	--	--	--	--	--	$ 100.0	$ 100.0
Interest rate	1.9%	--	--	--	--	--		
Long-term debt	--	$ 23.0	--	--	--	$200.0	$ 223.0	$ 244.9
Interest rate	--	6.2%	--	--	--	7.3%		
Interest rate swaps related to available-for-sale debt securities:								
Pay fixed/receive variable	--	$153.7	$144.2	$120.0	$ 40.0	--	$ 457.9	$ 1.4
Average pay rate	--	2.9%	3.8%	4.2%	4.5%	--		
Average receive rate	--	2.0%	2.0%	2.0%	2.0%	--		

Interest Rate Sensitivity
Principal Amount by Expected Maturity as of December 31, 2000
(Dollars in millions)
Average Interest Rate

	2001	2002	2003	2004	2005	Thereafter	Total	Fair Value 12/31/00
Available-for-sale debt securities	$780.4	$740.6	$232.3	$118.5	$60.0	--	$1,931.8	$1,950.2
Interest rate	6.6%	6.7%	7.0%	6.5%	7.0%	--		
Commercial paper obligations	$100.0	--	--	--	--	--	$ 100.0	$ 100.0
Interest rate	6.7%	--	--	--	--	--		
Long-term debt	--	--	$ 23.0	--	--	$200.0	$ 223.0	$ 222.0
Interest rate	--	--	6.2%	--	--	7.3%		

The Company is exposed to equity price risks on the marketable portion of equity securities included in its portfolio of investments entered into for the promotion of business and strategic objectives. These investments are generally in small capitalization stocks in the biotechnology industry sector. In 2001, the Company entered into equity forward contracts to hedge against changes in the fair market value of a portion of its equity investment portfolio. At December 31, 2001 and 2000, the fair value of the unhedged portion of its equity securities was $133.4 million and $223.0 million, respectively. For the years ended December 31, 2001 and 2000, an adverse change in equity prices of 45% and 80%, respectively, would result in a decrease of approximately $60.0 million and $178.4 million, respectively, in the fair value of the unhedged portion of the Company's equity securities. Price volatility for equity investments is based on the volatility of a relevant market index for small capitalization stocks in the biotechnology sector.

The Company did not have material exposures to changes in foreign currency exchange rates related to its foreign currency forward contracts outstanding as of December 31, 2001 and 2000.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is incorporated herein by reference to the financial statements listed in Item 14(a) of Part IV of this Form 10-K Annual Report.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the directors of the Company is incorporated by reference to the section entitled "Election of Directors" in the Company's definitive Proxy Statement with respect to the Company's 2002 Annual Meeting to be filed with the Securities and Exchange Commission within 120 days of December 31, 2001 (the "Proxy Statement"). For information concerning the executive officers of the Company, see "Item 1. Business--Executive Officers of the Registrant".

Item 11. EXECUTIVE COMPENSATION

The section labeled "Executive Compensation" appearing in the Company's Proxy Statement is incorporated herein by reference, except for such information as need not be incorporated by reference under rules promulgated by the Securities and Exchange Commission.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The section labeled "Security Ownership of Directors and Executive Officers and Certain Beneficial Owners" appearing in the Company's Proxy Statement is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The section labeled "Certain Transactions" appearing in the Company's Proxy Statement is incorporated herein by reference.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)1. Index to Financial Statements

The following Financial Statements are included herein:

	Page Number
Report of Ernst & Young LLP, Independent Auditors	F-1
Consolidated Statements of Operations for each of the three years in the period ended December 31, 2001	F-2
Consolidated Balance Sheets at December 31, 2001 and 2000	F-3
Consolidated Statements of Stockholders' Equity for each of the three years in the period ended December 31, 2001	F-4
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2001	F-5
Notes to Consolidated Financial Statements	F-6 - F-24

(a)2. Index to Financial Statement Schedules

The following Schedule is filed as part of this Form 10-K Annual Report:

	Page Number
II. Valuation Accounts	F-25

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the consolidated statements or notes thereto.

(a)3. Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of December 16, 2001, by and among Amgen Inc., AMS Acquisition Inc., and Immunex Corporation. (26)
3.1	Restated Certificate of Incorporation as amended. (10)
3.2*	Amended and Restated Bylaws of Amgen Inc. (as amended January 7, 2002).
3.3	Certificate of Amendment of Restated Certificate of Incorporation. (19)
3.4	Certificate of Designations of Series A Junior Participating Preferred Stock. (22)
4.1	Indenture dated January 1, 1992 between the Company and Citibank N.A., as trustee. (4)
4.2	First Supplement to Indenture, dated February 26, 1997 between the Company and Citibank N.A., as trustee. (7)
4.3	Officer's Certificate pursuant to Sections 2.1 and 2.3 of the Indenture, as supplemented, establishing a series of securities "8 1/8% Debentures due April 1, 2097." (9)
4.4	8 1/8% Debentures due April 1, 2097. (9)
4.5	Form of stock certificate for the common stock, par value $.0001 of the Company. (10)
4.6	Officer's Certificate pursuant to Sections 2.1 and 2.3 of the Indenture, dated as of January 1, 1992, as supplemented by the First supplemental Indenture, dated as of February 26, 1997, each between the Company and Citibank, N.A., as Trustee, establishing a series of securities entitled "6.50% Notes Due December 1, 2007". (12)

Exhibit No.	Description
4.7	6.50% Notes Due December 1, 2007 described in Exhibit 4.6. (12)
4.8	Corporate Commercial Paper--Master Note between and among Amgen Inc., as Issuer, Cede & Co., as nominee of The Depository Trust Company and Citibank, N.A. as Paying Agent. (14)
4.9	Stockholders' Rights Agreement dated as of December 16, 2001, by and among Amgen Inc., American Home Products Corporation, MDP Holdings, Inc., and Lederle Parenterals, Inc. (27)
10.1*+	Company's Amended and Restated 1991 Equity Incentive Plan, effective December 11, 2001.
10.2*+	Company's Amended and Restated 1997 Special Non-Officer Equity Incentive Plan, effective December 11, 2001.
10.3	Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984, between the Company and Kirin Brewery Company, Limited. (22)
10.4	Amendment Nos. 1, 2, and 3, dated March 19, 1985, July 29, 1985 and December 19, 1985, respectively, to the Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984. (19)
10.5	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated, September 30, 1985 between the Company and Ortho Pharmaceutical Corporation. (19)
10.6	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated September 30, 1985 between Kirin-Amgen, Inc. and Ortho Pharmaceutical Corporation. (19)
10.7+	Company's Amended and Restated Employee Stock Purchase Plan. (19)
10.8	Research, Development Technology Disclosure and License Agreement PPO, dated January 20, 1986, by and between the Company and Kirin Brewery Co., Ltd. (1)
10.9	Amendment Nos. 4 and 5, dated October 16, 1986 (effective July 1, 1986) and December 6, 1986 (effective July 1, 1986), respectively, to the Shareholders Agreement of Kirin-Amgen, Inc. dated May 11, 1984. (22)
10.10	Assignment and License Agreement, dated October 16, 1986, between the Company and Kirin-Amgen, Inc. (22)
10.11	G-CSF European License Agreement, dated December 30, 1986, between Kirin-Amgen, Inc. and the Company. (22)
10.12+	Company's Retirement and Savings Plan (as amended and restated effective October 23, 2000). (22)
10.13+	Company's Amended and Restated 1988 Stock Option Plan. (6)
10.14+	First Amendment to the Company's Retirement and Savings Plan (as amended and restated effective October 23, 2000). (22)
10.15	Amendment, dated June 30, 1988, to Research, Development, Technology Disclosure and License Agreement: GM-CSF dated March 31, 1987, between Kirin Brewery Company, Limited and the Company. (2)
10.16	Agreement on G-CSF in Certain European Countries, dated January 1, 1989, between Amgen Inc. and F. Hoffmann-La Roche & Co. Limited Company (with certain confidential information deleted therefrom). (3)
10.17	Partnership Purchase Agreement, dated March 12, 1993, between the Company, Amgen Clinical Partners, L.P., Amgen Development Corporation, the Class A limited partners and the Class B limited partner. (5)
10.18+	Amgen Inc. Supplemental Retirement Plan (As Amended and Restated Effective November 1, 1999). (18)
10.19+	First Amendment to Amgen Inc. Change of Control Severance Plan. (19)
10.20+	Amended and Restated Amgen Performance Based Management Incentive Plan. (17)

Exhibit No.	Description
10.21	Credit Agreement, dated as of May 28, 1998, among Amgen Inc., the Borrowing Subsidiaries named therein, the Banks named therein, Citibank, N.A., as Issuing Bank, and Citicorp USA, Inc., as Administrative Agent. (15)
10.22	G-CSF United States License Agreement dated June 1, 1987 (effective July 1, 1986) between Kirin-Amgen, Inc. and the Company. (22)
10.23	Amendment No. 1 dated October 20, 1988 to Kirin-Amgen, Inc./Amgen G-CSF United States License Agreement dated June 1, 1987 (effective July 1, 1986). (22)
10.24	Amendment No. 2 dated October 17, 1991 (effective November 13, 1990) to Kirin-Amgen, Inc./ Amgen G-CSF United States License Agreement dated June 1, 1987 (effective July 1, 1986). (22)
10.25	Amendment No. 10 dated March 1, 1996 to the Shareholders' Agreement of Kirin-Amgen, Inc. dated May 11, 1984. (22)
10.26+	Amgen Inc. Change of Control Severance Plan effective as of October 20, 1998. (16)
10.27	Preferred Share Rights Agreement, dated as of December 12, 2000, between Amgen Inc. and American Stock Transfer and Trust Company, as Rights Agent. (21)
10.28+	First Amendment, effective January 1, 1998, to the Company's Amended and Restated Employee Stock Purchase Plan. (11)
10.29	Amendment No. 11 dated March 20, 2000 to the Shareholders' Agreement of Kirin-Amgen, Inc. dated May 11, 1984. (22)
10.30+	Agreement between Amgen Inc. and Dr. Fabrizio Bonanni, dated March 3, 1999. (18)
10.31	Amendment No. 1 dated June 1, 1987 to Kirin-Amgen, Inc./Amgen G-CSF European License Agreement dated December 30, 1986. (22)
10.32	Amendment No. 2 dated March 15, 1988 to Kirin-Amgen, Inc./Amgen G-CSF European License Agreement dated December 30, 1986. (22)
10.33	Amendment No. 3 dated October 20, 1988 to Kirin-Amgen, Inc./Amgen G-CSF European License Agreement dated December 30, 1986. (22)
10.34	Amendment No. 4 dated December 29, 1989 to Kirin-Amgen, Inc./Amgen G-CSF European License Agreement dated December 30, 1986. (22)
10.35+	Company's Amended and Restated 1987 Directors' Stock Option Plan. (8)
10.36	Amended and Restated Agreement on G-CSF in the EU between Amgen Inc. and F. Hoffmann-La Roche Ltd (with certain confidential information deleted therefrom). (14)
10.37	Collaboration and License Agreement, dated December 15, 1997, between the Company, GPI NIL Holdings, Inc. and Guilford Pharmaceuticals Inc. (with certain confidential information deleted therefrom). (13)
10.38+	Promissory Note of Dr. Fabrizio Bonanni, dated August 7, 1999. (18)
10.39+	Promissory Note of Dr. Fabrizio Bonanni, dated October 29, 1999. (18)
10.40+	Company's Amended and Restated 1997 Equity Incentive Plan. (25)
10.41+	Agreement between Amgen Inc. and Mr. Gordon M. Binder, dated May 10, 2000. (19)
10.42	Amendment No. 6 dated May 11, 1984 to the Shareholders' Agreement of Kirin-Amgen, Inc. dated May 11, 1984. (22)
10.43	Amendment No. 7 dated July 17, 1987 (effective April 1, 1987) to the Shareholders' Agreement of Kirin-Amgen, Inc. dated May 11, 1984. (22)
10.44	Amendment No. 8 dated May 28, 1993 (effective November 13, 1990) to the Shareholders' Agreement of Kirin-Amgen, Inc. dated May 11, 1984. (22)

Exhibit No.	Description
10.45	Amendment No. 9 dated December 9, 1994 (effective June 14, 1994) to the Shareholders' Agreement of Kirin-Amgen, Inc. dated May 11, 1984. (22)
10.46+	Agreement between Amgen Inc. and Mr. George J. Morrow, dated March 3, 2001. (23)
10.47+	Promissory Note of Mr. George J. Morrow, dated March 11, 2001. (23)
10.48+	Agreement between Amgen Inc. and Dr. Roger M. Perlmutter, M.D., Ph.D., dated March 5, 2001. (23)
10.49+	Agreement between Amgen Inc. and Mr. Brian McNamee, dated May 5, 2001. (24)
10.50+	Agreement between Amgen Inc. and Mr. Richard Nanula, dated May 15, 2001. (24)
10.51+	Promissory Note of Mr. Richard Nanula, dated June 27, 2001. (24)
10.52+	Promissory Note of Dr. Roger M. Perlmutter, dated June 29, 2001. (24)
10.53+	Second Amendment to the Amgen Retirement and Savings Plan as amended and restated effective October 23, 2000. (25)
10.54+	Second Amendment to the Amgen Inc. Change of Control Severance Plan. (25)
10.55+	First Amendment to the Amgen Supplemental Retirement Plan as amended and restated effective November 1, 1999. (25)
10.56+	Agreement between Amgen Inc. and Dr. George Morstyn, dated July 19, 2001. (25)
10.57+	Promissory Note of Mr. Brian McNamee, dated May 30, 2001. (25)
10.58+	Restricted Stock Purchase Agreement between Amgen Inc. and Mr. Richard Nanula, dated May 16, 2001. (25)
10.59+	Restricted Stock Purchase Agreement between Amgen Inc. and Dr. Roger M. Perlmutter, dated January 8, 2001. (25)
10.60*+	Agreement between Amgen Inc. and Dr. Beth C. Seidenberg, dated December 21, 2001.
10.61*+	Amendment to Agreement between Amgen Inc. and Dr. Beth C. Seidenberg, dated December 21, 2001.
10.62*+	Second Amendment to the Amgen Supplemental Retirement Plan (As Amended and Restated Effective November 1, 1999), effective January 1, 2002.
10.63*+	Third Amendment to the Amgen Retirement and Savings Plan (as amended and restated effective October 23, 2000), effective February 1, 2002.
10.64*+	Amgen Inc. Executive Nonqualified Retirement Plan, effective January 1, 2001.
10.65*+	Nonqualified Deferred Compensation Plan, effective January 1, 2002.
10.66	Shareholder voting agreement dated as of December 16, 2001 by and among Amgen Inc., American Home Products Corporation, MDP Holdings, Inc., and Lederle Parenterals, Inc. (26)
21*	Subsidiaries of the Company.
23	Consent of Ernst & Young LLP, Independent Auditors. The consent set forth on page 46 is incorporated herein by reference.
24	Power of Attorney. The Power of Attorney set forth on page 45 is incorporated herein by reference.

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* Filed herewith.

\+ Management contract or compensatory plan or arrangement.

(1) Filed as an exhibit to Amendment No. 1 to Form S-1 Registration Statement (Registration No. 33-3069) on March 11, 1986 and incorporated herein by reference.

(2) Filed as an exhibit to Form 8 amending the Quarterly Report on Form 10-Q for the quarter ended June 30, 1988 on August 25, 1988 and incorporated herein by reference.

(3) Filed as an exhibit to the Form 8 dated November 8, 1989, amending the Annual Report on Form 10-K for the year ended March 31, 1989 on June 28, 1989 and incorporated herein by reference.

(4) Filed as an exhibit to Form S-3 Registration Statement dated December 19, 1991 and incorporated herein by reference.

(5) Filed as an exhibit to the Form 8-A dated March 31, 1993 and incorporated herein by reference.

(6) Filed as an exhibit to the Form 10-Q for the quarter ended September 30, 1996 on November 5, 1996 and incorporated herein by reference.

(7) Filed as an exhibit to the Form 8-K Current Report dated March 14, 1997 on March 14, 1997 and incorporated herein by reference.

(8) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1996 on March 24, 1997 and incorporated herein by reference.

(9) Filed as an exhibit to the Form 8-K Current Report dated April 8, 1997 on April 8, 1997 and incorporated herein by reference.

(10) Filed as an exhibit to the Form 10-Q for the quarter ended March 31, 1997 on May 13, 1997 and incorporated herein by reference.

(11) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1997 on August 12, 1997 and incorporated herein by reference.

(12) Filed as an exhibit to the Form 8-K Current Report dated and filed on December 5, 1997 and incorporated herein by reference.

(13) Filed as Exhibit 10.40 to the Guilford Pharmaceuticals Inc. Form 10-K for the year ended December 31, 1997 on March 27, 1998 and incorporated herein by reference.

(14) Filed as an exhibit to the Form 10-Q for the quarter ended March 31, 1998 on May 13, 1998 and incorporated herein by reference.

(15) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1998 on August 14, 1998 and incorporated herein by reference.

(16) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1998 on March 16, 1999 and incorporated herein by reference.

(17) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1999 on August 3, 1999 and incorporated herein by reference.

(18) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1999 on March 7, 2000 and incorporated herein by reference.

(19) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 2000 on August 1, 2000 and incorporated herein by reference.

(20) Filed as an exhibit to the Form 10-Q for the quarter ended September 30, 2000 on November 14, 2000 and incorporated herein by reference.

(21) Filed as an exhibit to the Form 8-K Current Report dated December 13, 2000 on December 18, 2000 and incorporated herein by reference.

(22) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.

(23) Filed as an exhibit to the Form 10-Q for the quarter ended March 31, 2001 on May 14, 2001 and incorporated herein by reference.

(24) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 2001 on July 27, 2001 and incorporated herein by reference.

(25) Filed as an exhibit to the Form 10-Q for the quarter ended September 30, 2001 on October 26, 2001 and incorporated herein by reference.

(26) Filed as an exhibit to the Form 8-K Current Report dated December 16, 2001 on December 17, 2001 and incorporated herein by reference.

(27) Filed as an exhibit to the Form S-4 Registration Statement dated January 31, 2002 and incorporated herein by reference.

(b) Reports on Form 8-K

The Company filed one Current Report on Form 8-K during the three months ended December 31, 2001. The report filed on December 17, 2001 reported under Item 5 that on December 16, 2001, the Company entered into an Agreement and Plan of Merger, dated December 16, 2001 (the "Merger Agreement"). Under the terms of the Merger Agreement, each outstanding share of Immunex common stock will be converted into the right to receive 0.44 of a share of Amgen common stock and $4.50 in cash. The merger is intended to qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended. Also on December 16, 2001, the Company entered into a Shareholder Voting Agreement (the "Voting Agreement") with American Home Products Corporation and two of its wholly-owned subsidiaries (collectively "AHP"). Pursuant to the Voting Agreement, AHP has agreed to vote in favor of the merger and the Merger Agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMGEN INC.
(Registrant)

Date: 2/26/02

By: /S/ RICHARD D. NANULA

Richard D. Nanula
Executive Vice President,
Finance,
Strategy and Communications,
and Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL MEN AND WOMEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Richard D. Nanula and Barry D. Schehr, or either of them, his or her attorney-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/S/ KEVIN W. SHARER Kevin W. Sharer	Chairman of the Board, Chief Executive Officer and President, and Director (Principal Executive Officer)	2/26/02
/S/ RICHARD D. NANULA Richard D. Nanula	Executive Vice President, Finance, Strategy and Communications, and Chief Financial Officer	2/26/02
/S/ BARRY D. SCHEHR Barry D. Schehr	Vice President, Financial Operations, and Chief Accounting Officer	2/26/02
/S/ DAVID BALTIMORE David Baltimore	Director	2/26/02
/S/ FRANK J. BIONDI, JR. Frank J. Biondi, Jr.	Director	2/26/02
/S/ WILLIAM K. BOWES, JR. William K. Bowes, Jr.	Director	2/26/02
/S/ JERRY D. CHOATE Jerry D. Choate	Director	2/26/02
/S/ FREDERICK W. GLUCK Frederick W. Gluck	Director	2/26/02
/S/ FRANKLIN P. JOHNSON, JR. Franklin P. Johnson, Jr.	Director	2/26/02
/S/ STEVEN LAZARUS Steven Lazarus	Director	2/26/02
/S/ GILBERT S. OMENN Gilbert S. Omenn	Director	2/26/02
/S/ JUDITH C. PELHAM Judith C. Pelham	Director	2/26/02
/S/ J. PAUL REASON J. Paul Reason	Director	2/26/02
/S/ DONALD B. RICE Donald B. Rice	Director	2/26/02
/S/ PATRICIA C. SUELTZ Patricia C. Sueltz	Director	2/26/02

EXHIBIT 23

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-5111) pertaining to the 1984 Stock Option Plan, 1981 Incentive Stock Option Plan and Nonqualified Stock Option Plan of Amgen Inc., in the Registration Statement (Form S-8 No. 33-24013) pertaining to the Amended and Restated 1988 Stock Option Plan of Amgen Inc., in the Registration Statement (Form S-8 No. 33-39183) pertaining to the Amended and Restated Employee Stock Purchase Plan, in the Registration Statement (Form S-8 No. 33-39104) pertaining to the Amended and Restated Amgen Retirement and Savings Plan, in the Registration Statements (Form S-3/S-8 No. 33-29791 and Form S-8 No. 33-42501) pertaining to the Amended and Restated 1987 Directors' Stock Option Plan, in the Registration Statement (Form S-8 No. 33-42072) pertaining to the Amgen Inc. Amended and Restated 1991 Equity Incentive Plan, in the Registration Statement (Form S-8 No. 33-47605) pertaining to the Retirement and Savings Plan for Amgen Puerto Rico, Inc., in the Registration Statement (Form S-8 No. 333-44727) pertaining to the Amgen Inc. 1997 Special Non-Officer Equity Incentive Plan, in the Registration Statement (Form S-3 No. 333-19931) of Amgen Inc., in the Registration Statement (Form S-3 No. 333-40405) of Amgen Inc., in the Registration Statement (Form S-8 No. 333-62735) pertaining to the Amgen Inc. Amended and Restated 1997 Special Non-Officer Equity Incentive Plan, in the Registration Statement (Form S-3 No. 333-53929) pertaining to the Amgen Inc. 1997 Special Non-Officer Equity Incentive Plan, the Amgen Inc. Amended and Restated 1991 Equity Incentive Plan, the Amended and Restated 1988 Stock Option Plan of Amgen Inc. and the Amended and Restated 1987 Directors' Stock Option Plan, in the Registration Statement (Form S-8 No. 333-74585) pertaining to the Amgen Limited Sharesave Plan, in the Registration Statement (Form S-8 No. 333-81284) pertaining to the Amgen Nonqualified Deferred Compensation Plan, in the Registration Statement (Form S-8 No. 333-56672) pertaining to the Amended and Restated 1997 Special Non-Officer Equity Incentive Plan, and in the Registration Statement (Form S-3 No. 333-56664 and Amendment No. 1 thereto) pertaining to the Amgen Inc. 1997 Special Non-Officer Equity Incentive Plan, the Amgen Inc. Amended and Restated 1991 Equity Incentive Plan, the Amended and Restated 1988 Stock Option Plan of Amgen Inc. and the Amended and Restated 1987 Directors' Stock Option Plan, and in the related Prospectuses of our report dated January 22, 2002, with respect to the consolidated financial statements and financial statement schedule of Amgen Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2001.

/s/ Ernst & Young LLP

Los Angeles, California
February 26, 2002

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

The Board of Directors and Stockholders of Amgen Inc.

We have audited the accompanying consolidated balance sheets of Amgen Inc. as of December 31, 2001 and 2000, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. Our audits also included the financial statement schedule listed in the Index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amgen Inc. as of December 31, 2001 and 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in accordance with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Ernst & Young LLP

Los Angeles, California
January 22, 2002

AMGEN INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31, 2001, 2000, and 1999
(In millions, except per share data)

	2001	2000	1999
Revenues:			
Product sales	$3,511.0	$3,202.2	$3,042.8
Corporate partner revenues	252.0	246.2	161.4
Royalty income	252.7	181.0	135.9
Total revenues	4,015.7	3,629.4	3,340.1
Operating expenses:			
Cost of sales	443.0	408.4	402.1
Research and development	865.0	845.0	822.8
Selling, general and administrative	970.7	826.9	654.3
Loss of affiliates, net	2.7	23.9	16.8
Other items, net	203.1	(18.8)	(49.0)
Total operating expenses	2,484.5	2,085.4	1,847.0
Operating income	1,531.2	1,544.0	1,493.1
Other income (expense):			
Interest and other income, net	168.7	146.2	88.3
Interest expense, net	(13.6)	(15.9)	(15.2)
Total other income	155.1	130.3	73.1
Income before income taxes	1,686.3	1,674.3	1,566.2
Provision for income taxes	566.6	535.8	469.8
Net income	$1,119.7	$1,138.5	$1,096.4
Earnings per share:			
Basic	$ 1.07	$ 1.11	$ 1.07
Diluted	$ 1.03	$ 1.05	$ 1.02
Shares used in calculation of earnings per share:			
Basic	1,045.5	1,029.6	1,021.7
Diluted	1,084.4	1,084.7	1,078.3

See accompanying notes.

AMGEN INC.

CONSOLIDATED BALANCE SHEETS

December 31, 2001 and 2000
(In millions, except per share data)

	2001	2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 689.1	$ 226.5
Marketable securities	1,973.1	1,801.6
Trade receivables, net of allowance for doubtful accounts of $21.4 in 2001 and $21.2 in 2000	497.2	389.2
Inventories	355.6	305.2
Other current assets	343.6	214.6
Total current assets	3,858.6	2,937.1
Property, plant, and equipment at cost, net	1,946.1	1,781.5
Other assets	638.4	681.0
	$6,443.1	$5,399.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 136.7	$ 143.2
Commercial paper	99.9	99.7
Accrued liabilities	766.3	619.2
Total current liabilities	1,002.9	862.1
Long-term debt	223.0	223.0
Stockholders' equity:		
Preferred stock; $0.0001 par value; 5.0 shares authorized; none issued or outstanding	--	--
Common stock and additional paid-in capital; $0.0001 par value; 2,750.0 shares authorized; outstanding--1,045.8 shares in 2001 and 1,037.4 shares in 2000	3,474.1	2,947.3
Retained earnings	1,686.8	1,304.6
Accumulated other comprehensive income	56.3	62.6
Total stockholders' equity	5,217.2	4,314.5
	$6,443.1	$5,399.6

See accompanying notes.

AMGEN INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended December 31, 2001, 2000, and 1999
(In millions)

	Number of shares	Common stock and additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 1998	1,018.5	$1,671.9	$ 894.3	$ (4.0)	$ 2,562.2
Comprehensive Income:					
Net income	--	--	1,096.4	--	1,096.4
Other comprehensive loss, net of tax:					
Unrealized gains on securities, net of reclassification adjustments	--	--	--	7.3	7.3
Foreign currency translation adjustments	--	--	--	(18.1)	(18.1)
Total other comprehensive loss	--	--	--	--	(10.8)
Comprehensive income	--	--	--	--	1,085.6
Issuance of common stock upon the exercise of employee stock options	26.5	248.8	--	--	248.8
Tax benefits related to employee stock options	--	151.6	--	--	151.6
Repurchases of common stock	(27.1)	--	(1,024.7)	--	(1,024.7)
Balance at December 31, 1999	1,017.9	2,072.3	966.0	(14.8)	3,023.5
Comprehensive Income:					
Net income	--	--	1,138.5	--	1,138.5
Other comprehensive income, net of tax:					
Unrealized gains on securities, net of reclassification adjustments	--	--	--	99.0	99.0
Foreign currency translation adjustments	--	--	--	(21.6)	(21.6)
Total other comprehensive income	--	--	--	--	77.4
Comprehensive income	--	--	--	--	1,215.9
Issuance of common stock upon the exercise of employee stock options and in connection with an employee stock purchase plan	29.1	333.7	--	--	333.7
Tax benefits related to employee stock options	--	376.6	--	--	376.6
Issuance of common stock for the acquisition of Kinetix Pharmaceuticals, Inc.	2.6	164.7	--	--	164.7
Repurchases of common stock	(12.2)	--	(799.9)	--	(799.9)
Balance at December 31, 2000	1,037.4	2,947.3	1,304.6	62.6	4,314.5
Comprehensive Income:					
Net income	--	--	1,119.7	--	1,119.7
Other comprehensive loss, net of tax:					
Unrealized losses on securities, net of reclassification adjustments	--	--	--	(6.7)	(6.7)
Foreign currency translation adjustments	--	--	--	0.4	0.4
Total other comprehensive loss	--	--	--	--	(6.3)
Comprehensive income	--	--	--	--	1,113.4
Issuance of common stock upon the exercise of employee stock options and in connection with an employee stock purchase plan	21.1	282.3	--	--	282.3
Tax benefits related to employee stock options	--	244.5	--	--	244.5
Repurchases of common stock	(12.7)	--	(737.5)	--	(737.5)
Balance at December 31, 2001	1,045.8	$3,474.1	$ 1,686.8	$ 56.3	$ 5,217.2

See accompanying notes.

AMGEN INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2001, 2000, and 1999
(In millions)

	2001	2000	1999
Cash flows from operating activities:			
Net income	$1,119.7	$ 1,138.5	$ 1,096.4
Depreciation and amortization	265.9	211.8	176.8
Tax benefits related to employee stock options	244.5	376.6	151.6
Loss/(gain) on equity investments	7.4	(31.8)	--
Other non-cash expenses	87.7	29.7	--
Deferred income taxes	(148.3)	6.6	9.8
Loss of affiliates, net	2.7	23.9	16.8
Cash provided by (used in):			
Trade receivables, net	(123.0)	23.0	(92.3)
Inventories	(85.5)	(120.9)	(73.5)
Other current assets	(31.5)	(51.4)	(9.0)
Accounts payable	(6.5)	59.8	(38.2)
Accrued liabilities	147.1	(31.2)	(11.5)
Net cash provided by operating activities	1,480.2	1,634.6	1,226.9
Cash flows from investing activities:			
Purchases of property, plant, and equipment	(441.8)	(437.7)	(304.2)
Proceeds from maturities of marketable securities	490.3	--	40.0
Proceeds from sales of marketable securities	301.7	1,067.8	843.5
Purchases of marketable securities	(918.2)	(1,638.7)	(1,032.7)
Other	28.4	(27.7)	(10.1)
Net cash used in investing activities	(539.6)	(1,036.3)	(463.5)
Cash flows from financing activities:			
Net proceeds from issuance of common stock upon the exercise of employee stock options and in connection with an employee stock purchase plan	277.7	333.7	248.8
Repurchases of common stock	(737.5)	(799.9)	(1,024.7)
Other	(18.2)	(36.5)	(57.7)
Net cash used in financing activities	(478.0)	(502.7)	(833.6)
Increase (decrease) in cash and cash equivalents	462.6	95.6	(70.2)
Cash and cash equivalents at beginning of period	226.5	130.9	201.1
Cash and cash equivalents at end of period	$ 689.1	$ 226.5	$ 130.9

See accompanying notes.

1. Summary of significant accounting policies

Business

Amgen Inc. ("Amgen" or the "Company") is a global biotechnology company that discovers, develops, manufactures, and markets human therapeutics based on advances in cellular and molecular biology.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as well as affiliated companies in which the Company has a controlling financial interest and exercises control over their operations ("majority controlled affiliates"). All material intercompany transactions and balances have been eliminated in consolidation. Investments in affiliated companies which are 50% or less owned and where the Company exercises significant influence over operations are accounted for using the equity method. All other equity investments are accounted for under the cost method. The caption "Loss of affiliates, net" includes Amgen's equity in the operating results of affiliated companies and the minority interest others hold in the operating results of Amgen's majority controlled affiliates.

Cash and cash equivalents

The Company considers cash equivalents to be only those investments which are highly liquid, readily convertible to cash, and which mature within three months from date of purchase.

Available-for-sale securities

The Company considers its investment portfolio and marketable equity investments available-for-sale as defined in Statement of Financial Accounting Standards ("SFAS") No. 115 and, accordingly, these investments are recorded at fair value (see Note 9, "Fair values of financial instruments"). Realized gains totaled $13.3 million, $32.4 million, and $2.8 million for the years ended December 31, 2001, 2000, and 1999, respectively. Realized losses totaled $21.7 million, $2.5 million, and $6.6 million for the years ended December 31, 2001, 2000, and 1999, respectively. The cost of securities sold is based on the specific identification method. The fair values of available-for-sale investments by type of security, contractual maturity, and classification in the balance sheets are as follows (in millions):

December 31, 2001	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Type of security:				
Corporate debt securities	$1,207.7	$ 50.8	$(1.4)	$1,257.1
U.S. Treasury securities and obligations of U.S. government agencies	601.3	12.1	(0.2)	613.2
Other interest bearing securities	697.6	1.1	(1.0)	697.7
Total debt securities	2,506.6	64.0	(2.6)	2,568.0
Equity securities	58.3	117.9	(0.3)	175.9
	$2,564.9	$181.9	$(2.9)	$2,743.9

December 31, 2000	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Type of security:				
Corporate debt securities	$1,054.7	$ 11.3	$(1.4)	$1,064.6
U.S. Treasury securities and obligations of U.S. government agencies	663.6	5.9	--	669.5
Other interest bearing securities	215.8	0.4	(0.1)	216.1
Total debt securities	1,934.1	17.6	(1.5)	1,950.2
Equity securities	73.1	179.2	(7.0)	245.3
	$2,007.2	$196.8	$(8.5)	$2,195.5

	December 31,	
	2001	2000
Contractual maturity:		
Maturing in one year or less	$1,480.1	$ 783.6
Maturing after one year through three years	785.2	986.1
Maturing after three years	302.7	180.5
Total debt securities	2,568.0	1,950.2
Equity securities	175.9	245.3
	$2,743.9	$2,195.5
Classification in balance sheets:		
Cash and cash equivalents	$ 689.1	$ 226.5
Marketable securities	1,973.1	1,801.6
Other assets--noncurrent	215.9	285.3
	2,878.1	2,313.4
Less cash	(134.2)	(117.9)
	$2,743.9	$2,195.5

The primary objectives for the Company's fixed income investment portfolio are liquidity and safety of principal. Investments are made to achieve the highest rate of return to the Company, consistent with these two objectives. The Company's investment policy limits investments to certain types of instruments issued by institutions with investment grade credit ratings and places restrictions on maturities and concentration by type and issuer.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined in a manner which approximates the first-in, first-out (FIFO) method. Inventories consist of currently marketed products and product candidates which the Company expects to commercialize. The inventory balance of such product candidates totaled $8.8 million and $112.7 million as of December 31, 2001 and 2000, respectively. Inventories are shown net of applicable reserves and allowances. Inventories consisted of the following (in millions):

	December 31,	
	2001	2000
Raw materials	$ 21.9	$ 29.4
Work in process	266.7	238.7
Finished goods	67.0	37.1
	$355.6	$305.2

In the fourth quarter of 2001, the Company recorded a charge of $39.5 million, included in cost of sales, to write-off certain inventory deemed not recoverable.

Depreciation and amortization

Depreciation of buildings and equipment is provided over their estimated useful lives on a straight-line basis. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or lease terms. Useful lives by asset category were as follows:

Asset category	Years
Buildings and building improvements	10-30
Manufacturing equipment	5-10
Laboratory equipment	5-10
Furniture and office equipment	3-10

Long-lived assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Product sales

Product sales primarily consist of sales of EPOGEN(R) (Epoetin alfa), Aranesp(TM) (darbepoetin alfa), and NEUPOGEN(R) (Filgrastim) (see Note 10, "Segment information").

The Company has the exclusive right to sell Epoetin alfa for dialysis, certain diagnostics and all non-human, non-research uses in the United States. The Company sells Epoetin alfa under the brand name EPOGEN(R). Amgen has granted to Ortho Pharmaceutical Corporation (which has assigned its rights under the product license agreement to Ortho Biotech Products, L.P.), a subsidiary of Johnson & Johnson ("Johnson & Johnson"), a license relating to Epoetin alfa for sales in the United States for all human uses except dialysis and diagnostics. Pursuant to this license, the Company and Johnson & Johnson are required to compensate each other for Epoetin alfa sales that either party makes into the other party's exclusive market, sometimes referred to as "spillover" sales. Accordingly, Amgen does not recognize product sales it makes into the exclusive market of Johnson & Johnson and does recognize the product sales made by Johnson & Johnson into Amgen's exclusive market. Sales in

Amgen's exclusive market are derived from the Company's sales to its customers, as adjusted for any spillover sales. The Company is employing an arbitrated audit methodology to measure each party's spillover sales based on estimates of and subsequent adjustments thereto of third-party data on shipments to end users and their usage. Sales of the Company's other products are recognized when shipped and title has passed.

Research and development costs

Research and development expenses are comprised of the following types of costs incurred in performing research and development activities: salaries and benefits, allocated overhead and occupancy costs, clinical trial and related clinical manufacturing costs, contract services and other outside costs, and costs to acquire in-process research and development projects and technologies which have no alternative future use (see Note 11, "Kinetix acquisition"). Research and development expenses also include such costs related to activities performed on behalf of corporate partners. Research and development costs are expensed as incurred.

Derivative instruments

The Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended, on January 1, 2001 and its adoption has not had a material effect on the Company's financial statements. SFAS No. 133 requires companies to recognize all of its derivative instruments as either assets or liabilities in the balance sheet at fair value. The accounting for changes in the fair value (i.e., unrealized gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. Derivatives that are not hedges must be adjusted to fair value through current earnings.

To protect against possible changes in values of certain anticipated foreign currency cash flows, primarily resulting from sales outside the U.S., the Company enters into foreign currency forward contracts which qualify and are designated as cash flow hedges. These foreign currency forward contracts cover anticipated foreign currency cash flows for up to the succeeding twelve months. No portions of these foreign currency forward contracts are excluded from the assessment of hedge effectiveness, and there are no ineffective portions of these hedging instruments. The gains and losses on these forward contracts are reported as a component of other comprehensive income and reclassified into interest and other income, net in the same periods during which the hedged transactions affect earnings. At December 31, 2001, amounts in accumulated other comprehensive income related to cash flow hedges were not material.

To protect against possible reductions in value of certain of its available-for-sale marketable equity securities, the Company has entered into equity forward contracts during 2001 which qualify and are designated as fair value hedges. The gains and losses on these forward contracts as well as the offsetting losses and gains on the hedged equity securities are recognized in interest and other income, net in the current period. During the year ended December 31, 2001, gains and losses on the portions of these forwards excluded from the assessment of hedge effectiveness and the ineffective portions of these hedging instruments were not material. In addition, to protect against possible reductions in value of certain available-for-sale fixed income investments, the Company entered into interest rate swap agreements during 2001 which qualify and are designated as fair value hedges. The terms of the interest rate swap agreements correspond to the related hedged investments. As a result, there is no hedge ineffectiveness. During the year ended December 31, 2001, gains and losses on these interest rate swap agreements were fully offset by the losses and gains on the hedged investments.

The Company has additional foreign currency forward contracts to reduce exposures to foreign currency fluctuations of certain assets and liabilities denominated in foreign currencies. However, these contracts have not been designated as hedges under SFAS No. 133. Accordingly, gains and losses on these foreign currency forward

contracts are recognized in interest and other income, net in the current period. During the year ended December 31, 2001, gains and losses on these foreign currency forward contracts were not material.

Prior to the adoption of SFAS No. 133, all of the Company's foreign exchange forward contracts were adjusted to fair value through current earnings. Foreign exchange option contracts that hedged anticipated foreign currency transactions were deferred and recognized in the same period as the hedged transaction. In addition, derivatives that hedged against possible reductions in the fair values of available-for-sale equity securities were included in the basis of the hedged securities and adjusted to fair value through other comprehensive income.

Interest

Interest costs are expensed as incurred, except to the extent such interest is related to construction in progress, in which case interest is capitalized. Interest costs capitalized for the years ended December 31, 2001, 2000, and 1999, were $12.7 million, $12.3 million, and $11.6 million, respectively.

Employee stock option and stock purchase plans

The Company's employee stock option and stock purchase plans are accounted for under Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees" (see Note 7, "Employee stock option, stock purchase, and defined contribution plans").

Earnings per share

Basic earnings per share is based upon the weighted-average number of common shares outstanding. Diluted earnings per share is based upon the weighted-average number of common shares and dilutive potential common shares outstanding. Dilutive potential common shares are outstanding options under the Company's employee stock option plans, restricted stock, and potential issuances of stock under the employee stock purchase plan (collectively "Dilutive Securities") which are included under the treasury stock method.

The following table sets forth the computation for basic and diluted earnings per share (in millions, except per share information):

	Years ended December 31,		
	2001	2000	1999
Numerator for basic and diluted earnings per share--net income	$1,119.7	$1,138.5	$1,096.4
Denominator:			
Denominator for basic earnings per share--weighted-average shares	1,045.5	1,029.6	1,021.7
Effect of Dilutive Securities	38.9	55.1	56.6
Denominator for diluted earnings per share--adjusted weighted-average shares	1,084.4	1,084.7	1,078.3
Basic earnings per share	$ 1.07	$ 1.11	$ 1.07
Diluted earnings per share	$ 1.03	$ 1.05	$ 1.02

Options to purchase 17.3 million, 10.6 million, and 1.6 million shares with exercise prices greater than the annual average market prices of common stock were outstanding at December 31, 2001, 2000, and 1999, respectively. These options were excluded from the respective computations of diluted earnings per share because their effect would be anti-dilutive.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recent accounting pronouncements

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets" effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill will no longer be amortized but will be subject to annual impairment tests. Other intangible assets will continue to be amortized over their estimated useful lives. The Company will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. The impact of adoption of the new standards will not have a material impact on the results of operations or financial position of the Company.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

2. Related party transactions

The Company owns a 50% interest in Kirin-Amgen, Inc. ("Kirin-Amgen"), a corporation formed in 1984 with Kirin Brewery Company, Limited ("Kirin") for the development and commercialization of certain products based on advanced biotechnology. Kirin-Amgen has given exclusive licenses to Amgen to manufacture and market certain products including erythropoietin, granulocyte colony-stimulating factor ("G-CSF"), darbepoetin alfa, and pegfilgrastim in certain geographic areas of the world. The Company currently markets certain of these products under the brand names EPOGEN(R) (erythropoietin), NEUPOGEN(R) (G-CSF), and Aranesp(TM) (darbepoetin alfa). Kirin-Amgen's revenues primarily consist of royalty income related to its licensed technology rights. Kirin-Amgen receives royalty income from Amgen, as well as Kirin, Johnson & Johnson, Roche, and others under separate product license agreements for certain geographic areas outside of the United States. During the years ended December 31, 2001, 2000, and 1999, Kirin-Amgen earned royalties from Amgen of $147.1 million, $140.8 million, and $128.1 million, respectively, which are included in "Cost of sales" in the accompanying consolidated statements of operations.

Kirin-Amgen's expenses primarily consist of costs related to research and development activities conducted on its behalf by Amgen and Kirin. Kirin-Amgen pays Amgen and Kirin for such services at negotiated rates. During the years ended December 31, 2001, 2000, and 1999, Amgen earned revenues from Kirin-Amgen of $210.1 million, $221.0 million, and $138.5 million, respectively, for certain research and development activities performed on Kirin-Amgen's behalf, which are included in "Corporate partner revenues" in the accompanying consolidated statements of operations.

At December 31, 2001, Amgen's share of Kirin-Amgen's undistributed retained earnings was approximately $85.5 million.

3. Debt

The Company has a commercial paper program which provides for unsecured short-term borrowings up to an aggregate of $200 million. As of December 31, 2001, commercial paper with a face amount of $100 million

was outstanding. These borrowings had maturities of less than one month and had effective interest rates averaging 1.9%. Commercial paper with a face amount of $100 million and with effective interest rates averaging 6.7% was outstanding at December 31, 2000.

The Company has established a $500 million debt shelf registration statement. In December 1997, pursuant to this registration statement, the Company issued $100 million of debt securities that bear interest at a fixed rate of 6.5% and mature in 2007 (the "Notes") and established a $400 million medium-term note program. The Company may offer and issue medium-term notes from time to time with terms to be determined by market conditions.

The Company had $100 million of debt securities outstanding at December 31, 2001 and 2000 that bear interest at a fixed rate of 8.1% and mature in 2097 (the "Century Notes"). These securities may be redeemed in whole or in part at the Company's option at any time for a redemption price equal to the greater of the principal amount to be redeemed or the sum of the present values of the principal and remaining interest payments discounted at a determined rate plus, in each case, accrued interest.

In addition to the Notes and the Century Notes, debt securities outstanding at December 31, 2001 and 2000 include $23 million of debt securities that bear interest at a fixed rate of 6.2% and mature in 2003. The terms of the debt securities require the Company to meet certain debt to tangible net asset ratios and place limitations on liens and sale/leaseback transactions and, except with respect to the Notes and the Century Notes, place limitations on subsidiary indebtedness.

The Company has an unsecured committed credit facility (the "credit facility") with five participating banking institutions that includes a commitment expiring on May 28, 2003 for up to $150 million of borrowings under a revolving line of credit (the "revolving line commitment"). This credit facility supports the Company's commercial paper program. As of December 31, 2001, $150 million was available under the revolving line commitment for borrowing. Borrowings under the revolving line commitment bear interest at various rates which are a function of, at the Company's option, either the prime rate of a major bank, the federal funds rate, or a Eurodollar base rate. Under the terms of the credit facility, the Company is required to meet a minimum interest coverage ratio and maintain a minimum level of tangible net worth. In addition, the credit facility contains limitations on investments, liens, and sale/leaseback transactions.

The aggregate stated maturities of all long-term obligations due subsequent to December 31, 2001, are as follows: none in 2002; $23 million in 2003; none in 2004, 2005, and 2006; and $200 million after 2006.

4. Other items, net

Other items, net in the accompanying consolidated statements of operations consists of the following expense/(income) items (in millions):

	Years ended December 31,		
	2001	2000	1999
Termination of collaboration agreements	$203.1	$ --	$ --
Legal award, net	--	(73.9)	(49.0)
Write-off of acquired in-process research and development (see Note 11, "Kinetix acquisition")	--	30.1	--
Amgen Foundation contribution	--	25.0	--
	$203.1	$(18.8)	$(49.0)

Termination of collaboration agreements

In 2001, the Company recorded a charge of $203.1 million primarily related to the costs of terminating collaboration agreements with various third parties, including PRAECIS PHARMACEUTICALS INCORPORATED ("Praecis") and certain academic institutions. These costs include $102.4 million primarily with respect to amounts previously capitalized related to these agreements, and $100.7 million with respect to amounts to be paid to third parties in connection with the termination of these relationships.

Legal award, net

In September 1985, the Company granted Johnson & Johnson's affiliate, Ortho Pharmaceutical Corporation, a license relating to certain patented technology and know-how of the Company to sell a genetically engineered form of recombinant human erythropoietin, called Epoetin alfa, throughout the United States for all human uses except dialysis and diagnostics. A number of disputes have arisen between Amgen and Johnson & Johnson as to their respective rights and obligations under the various agreements between them, including the agreement granting the license (the "License Agreement").

A dispute between Amgen and Johnson & Johnson that had been the subject of an arbitration proceeding related to the audit methodology currently employed by the Company to account for Epoetin alfa sales. Under the License Agreement, the Company and Johnson & Johnson are required to compensate each other for Epoetin alfa sales that either party makes into the other party's exclusive market, sometimes described as "spillover" sales. The Company has established and is employing an audit methodology to measure each party's spillover sales and to allocate the net profits from those sales to the appropriate party. The arbitrator in this dispute (the "Arbitrator") issued a final order adopting the Company's audit methodology with certain adjustments and also found that the Company was the successful party in the arbitration. Pursuant to the final order in the arbitration, an independent panel was formed principally (i) to address ongoing challenges to the survey results for the years 1995 through 1999 and (ii) to refine the procedures for measuring the erythropoietin market as may be necessary. As a result of decisions made by this independent panel regarding certain challenges by Johnson & Johnson as well as other reduced uncertainties, the Company reduced amounts previously provided for potential spillover liabilities by $49 million in the third quarter of 1999.

Because the Arbitrator ruled that the Company was the successful party in the arbitration, Johnson & Johnson was ordered to pay to the Company all costs and expenses, including reasonable attorneys' fees, that the Company incurred in the arbitration as well as one-half of the audit costs. On July 17, 2000, the Arbitrator issued a final order awarding the Company approximately $78 million in costs and expenses, including reasonable attorneys' fees, that the Company incurred in the arbitration as well as one-half of the audit costs (the "Fee Award"). As a result, the Company recorded a net $73.9 million legal award, which represents the Fee Award reduced by minor amounts related to other miscellaneous disputes with Johnson & Johnson, in the third quarter of 2000.

Amgen Foundation contribution

In 2000, the Company contributed $25.0 million to the Amgen Foundation. This contribution will allow the Amgen Foundation to increase its support of non-profit organizations that focus on issues in health and medicine, science education, and other activities that strengthen local communities over the next several years.

5. Income taxes

The provision for income taxes includes the following (in millions):

	Years ended December 31,		
	2001	2000	1999
Current provision:			
Federal (including U.S. possessions)	$ 636.6	$481.7	$422.8
State	78.3	47.5	37.2
Total current provision	714.9	529.2	460.0
Deferred (benefit) provision:			
Federal (including U.S. possessions)	(104.3)	9.6	5.3
State	(44.0)	(3.0)	4.5
Total deferred (benefit) provision	(148.3)	6.6	9.8
	$ 566.6	$535.8	$469.8

Deferred income taxes reflect the net tax effects of net operating loss and credit carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows (in millions):

	December 31,	
	2001	2000
Deferred tax assets:		
Expense accruals	$ 105.2	$ 32.9
Expenses capitalized for tax purposes	70.6	58.9
Acquired net operating loss and credit carryforwards	45.4	66.0
Credit carryforwards	39.4	15.0
Fixed assets	29.3	46.0
Other	54.2	16.4
Total deferred tax assets	344.1	235.2
Valuation allowance	(19.6)	(25.4)
Net deferred tax assets	324.5	209.8
Deferred tax liabilities:		
Purchase of technology rights	(85.9)	(95.9)
Marketable securities and investments	(70.4)	(74.0)
Other	(12.5)	(39.3)
Total deferred tax liabilities	(168.8)	(209.2)
	$ 155.7	$ 0.6

At December 31, 2001, the Company had operating loss carryforwards of $99.3 million available to reduce future federal taxable income which will begin expiring in 2008. The Company also had $10.6 million of credit carryforwards against which a partial valuation allowance was established. These operating loss and credit carryforwards relate to the acquisition of companies.

The provision for income taxes varies from income taxes provided based on the federal statutory rate as follows:

	Years ended December 31,		
	2001	2000	1999
Statutory rate applied to income before income taxes	35.0 %	35.0 %	35.0 %
Benefit of Puerto Rico operations, net of Puerto Rico income taxes	(1.7)%	(2.0)%	(2.3)%
Utilization of tax credits, primarily research and experimentation	(1.3)%	(1.4)%	(2.1)%
Other, net	1.6 %	0.4 %	(0.6)%
	33.6 %	32.0 %	30.0 %

Income taxes paid during the years ended December 31, 2001, 2000, and 1999, totaled $516.2 million, $141.3 million, and $318.7 million, respectively.

6. Stockholders' equity

Stockholder Rights Agreement

On February 18, 1997, the Board of Directors of the Company redeemed the rights under the Company's former common stock rights plan and declared a dividend of one preferred share purchase right (a "Right") for each then outstanding share of common stock of the Company and authorized the distribution of one Right with respect to each subsequently issued share of common stock. The Rights were distributed to stockholders of record on March 21, 1997. On December 12, 2000, the Board of Directors of the Company amended and restated the preferred stock rights plan governing the Rights (the "Amended and Restated Rights Plan") to, among other things: (i) provide that, as a result of two-for-one splits of the Company's common stock effected in February and November 1999 (the "Stock Splits"), each Right shall represent the right to purchase one four-thousandth of a share of Series A Junior Participating Preferred Stock ("Series A Preferred Stock") of the Company (which one four-thousandth gives effect to the Stock Splits); (ii) increase the exercise price of each Right to $350.00 from $56.25 (as adjusted for the Stock Splits); (iii) extend the term of the rights agreement to December 12, 2010 from March 21, 2007, and (iv) amend the definition of "Outside Director".

Pursuant to the Amended and Restated Rights Plan, each share of common stock outstanding has attached to it one whole Right. One Right represents the right to purchase one four-thousandth (1/4000) of a share of Series A Preferred Stock of the Company at $350.00. The Rights will expire on December 12, 2010.

Under certain circumstances, if an acquiring person or group acquires 10% or more of the Company's outstanding common stock, an exercisable Right will entitle its holder (other than the acquirer) to buy shares of common stock of the Company having a market value of two times the exercise price of one Right. However, in limited circumstances approved by the outside directors of the Board of Directors, a stockholder who enters into an acceptable standstill agreement may acquire up to 20% of the outstanding shares without triggering the Rights. If an acquirer acquires at least 10%, but less than 50%, of the Company's common stock, the Board of Directors may exchange each Right (other than those of the acquirer) for one share of common stock per Right. In addition, under certain circumstances, if the Company is involved in a merger or other business combination where it is not the surviving corporation, an exercisable Right will entitle its holder to buy shares of common stock of the acquiring company having a market value of two times the exercise price of one Right. The Company may redeem the Rights at $0.00025 per Right at any time prior to the public announcement that a 10% position has been acquired.

Stock repurchase program

The Company has a stock repurchase program primarily to reduce the dilutive effect of its employee stock option and stock purchase plans. Stock repurchased under the program is intended to be retired. The amount the Company spends on and the number of shares repurchased varies based on a variety of factors, including the stock price and blackout periods in which the Company is restricted from repurchasing shares. In December 2000, the Board of Directors authorized the Company to repurchase up to $2 billion of common stock between January 1, 2001 and December 31, 2002. As of December 31, 2001, $1,262.5 million was available for stock repurchases through December 31, 2002.

Other comprehensive income/(loss)

SFAS No. 130, "Reporting Comprehensive Income", requires unrealized gains and losses on the Company's available-for-sale securities and foreign currency forward contracts which qualify and are designated as cash flow hedges, and foreign currency translation adjustments to be included in other comprehensive income.

Information regarding the components of accumulated other comprehensive income/(loss) are as follows (in millions):

	Unrealized gains on securities	Foreign currency translation	Accumulated other comprehensive income
Balance at December 31, 2000	$114.3	$(51.7)	$62.6
Current year other comprehensive (loss)/income	(6.7)	0.4	(6.3)
Balance at December 31, 2001	$107.6	$(51.3)	$56.3

Information regarding the income tax effects for items of other comprehensive income/(loss) is as follows (in millions):

	Before-tax amount	Tax benefit/ (expense)	After-tax amount
For the year ended December 31, 1999:			
Unrealized gains on available-for-sale securities	$ 12.0	$ (5.3)	$ 6.7
Less: Reclassification adjustments for losses realized in net income	(1.0)	0.4	(0.6)
Net unrealized gains on available-for-sale securities	13.0	(5.7)	7.3
Foreign currency translation adjustments	(18.1)	--	(18.1)
Other comprehensive loss	$ (5.1)	$ (5.7)	$(10.8)
For the year ended December 31, 2000:			
Unrealized gains on available-for-sale securities	$193.0	$(75.8)	$117.2
Less: Reclassification adjustments for gains realized in net income	30.0	(11.8)	18.2
Net unrealized gains on available-for-sale securities	163.0	(64.0)	99.0
Foreign currency translation adjustments	(21.6)	--	(21.6)
Other comprehensive income	$141.4	$(64.0)	$ 77.4
For the year ended December 31, 2001:			
Unrealized losses on available-for-sale securities	$(18.4)	$ 7.0	$(11.4)
Less: Reclassification adjustments for losses realized in net income	(8.0)	3.3	(4.7)
Net unrealized losses on available-for-sale securities	(10.4)	3.7	(6.7)
Foreign currency translation adjustments	0.4	--	0.4
Other comprehensive loss	$(10.0)	$ 3.7	$ (6.3)

Other

In addition to common stock, the Company's authorized capital includes 5.0 million shares of preferred stock, $0.0001 par value, of which 0.7 million shares have been designated Series A Preferred Stock. At December 31, 2001 and 2000, no shares of preferred stock were issued or outstanding.

At December 31, 2001, the Company had reserved 166.7 million shares of its common stock which may be issued through its employee stock option and stock purchase plans and had reserved 0.7 million shares of Series A Preferred Stock.

7. Employee stock option, stock purchase, and defined contribution plans

Employee stock option plans

The Company's employee stock option plans provide for option grants designated as either nonqualified or incentive stock options. Option grants to employees generally vest over a three to five year period and expire seven years from the date of grant. Most employees are eligible to receive a grant of stock options periodically with the number of shares generally determined by the employee's salary grade, performance level, and the stock price. In addition, certain management and professional level employees normally receive a stock option grant upon hire. In 2001, most employees received stock option grants, totaling 5.2 million shares, in which all shares vest upon the earlier of: (i) five years from the date of grant or (ii) the date on which the closing price of Amgen

stock equals or exceeds $100.00 per share. As of December 31, 2001, the Company had 56.3 million shares of common stock available for future grant under its employee stock option plans.

Stock option information with respect to all of the Company's employee stock option plans is as follows (shares in millions):

		Exercise price		
	Shares	Low	High	Weighted-average
Balance unexercised at December 31, 1998....	126.2	$ 0.66	$26.22	$12.18
Granted	19.0	$26.25	$57.69	$31.48
Exercised	(26.9)	$ 0.66	$39.44	$ 9.45
Forfeited.....	(2.5)	$ 5.48	$44.97	$17.76
Balance unexercised at December 31, 1999....	115.8	$ 0.92	$57.69	$15.88
Granted	13.1	$51.31	$78.00	$67.40
Exercised	(28.2)	$ 0.92	$72.75	$11.03
Forfeited.....	(2.0)	$ 4.48	$74.86	$26.02
Balance unexercised at December 31, 2000....	98.7	$ 2.55	$78.00	$23.89
Granted	18.6	$51.51	$74.19	$63.47
Exercised	(20.6)	$ 2.55	$70.38	$13.12
Forfeited.....	(2.3)	$ 5.48	$78.00	$41.43
Balance unexercised at December 31, 2001....	94.4	$ 6.19	$78.00	$33.62

At December 31, 2001, 2000, and 1999, employee stock options to purchase 53.4 million, 55.5 million, and 61.7 million shares were exercisable at weighted-average prices of $20.81, $15.35, and $11.80, respectively.

During the years ended December 31, 2001 and 2000, the Company issued 0.2 million and 0.1 million shares of restricted common stock, respectively.

Fair value disclosures of employee stock options

Employee stock option grants are set at the closing price of the Company's common stock on the date of grant and the related number of shares granted is fixed at that point in time. Therefore, under the principles of APB No. 25, the Company does not recognize compensation expense associated with the grant of employee stock options. SFAS No. 123, "Accounting for Stock-Based Compensation," requires the use of option valuation models to provide supplemental information regarding options granted after 1994. Pro forma information regarding net income and earnings per share shown below was determined as if the Company had accounted for its employee stock options and shares sold under its employee stock purchase plan under the fair value method of that statement.

The fair value of the options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for 2001, 2000, and 1999, respectively: risk-free interest rates of 4.7%, 5.9%, and 5.8%; dividend yields of 0%, 0%, and 0%; volatility factors of the expected market price of the Company's common stock of 50%, 45%, and 38%; and expected life of the options of 3.7 years, 3.4 years, and 3.4 years. These assumptions resulted in weighted-average fair values of $26.74, $25.87, and $10.55 per share for employee stock options granted in 2001, 2000, and 1999, respectively.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options. The Company's employee stock options have characteristics significantly different from those of traded options such as vesting restrictions and extremely limited transferability. In addition, the assumptions used in option valuation models (see above) are highly subjective, particularly the expected stock price volatility of the underlying stock. Because changes in these subjective input assumptions can materially affect the fair value estimate, in management's opinion, existing valuation models do not provide a reliable single measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair values of the options are amortized over the options' vesting periods. The Company's pro forma information is as follows (in millions, except per share information):

	Years ended December 31,		
	2001	2000	1999
Pro forma net income	$930.6	$1,035.4	$1,030.0
Pro forma earnings per share:			
Basic	$ 0.89	$ 1.01	$ 1.01
Diluted	$ 0.86	$ 0.95	$ 0.95

Information regarding employee stock options outstanding as of December 31, 2001 is as follows (shares in millions):

	Options outstanding			Options exercisable	
Price range	Shares	Weighted-average exercise price	Weighted-average remaining contractual life	Shares	Weighted-average exercise price
$10.00 and under	4.1	$ 9.66	0.6 years	4.1	$ 9.66
Over $10.00 to $15.00	24.4	$13.77	2.4 years	23.2	$13.75
Over $15.00 to $30.00	20.6	$17.01	3.6 years	14.6	$17.11
Over $30.00 to $60.00	17.1	$35.04	4.6 years	8.1	$33.37
Over $60.00	28.2	$65.56	6.1 years	3.4	$68.11

Employee stock purchase plan

The Company has an employee stock purchase plan whereby, in accordance with Section 423 of the Internal Revenue Code, eligible employees may authorize payroll deductions of up to 10% of their salary to purchase shares of the Company's common stock at the lower of 85% of the fair market value of common stock on the first or last day of the offering period. During the years ended December 31, 2001 and 2000, employees purchased 0.6 million and 1.3 million shares at weighted-average prices of approximately $47.97 and $30.33 per share, respectively. No shares were purchased under the employee stock purchase plan during 1999 because the Company had a 15 month offering period which extended from January 1, 1999 to March 31, 2000. At December 31, 2001, the Company had 15.6 million shares available for future issuance under this plan.

Defined contribution plans

The Company has defined contribution plans covering substantially all employees in the U.S. and its possessions. Under these plans, the Company makes certain amounts of matching contributions for those employees who elect to contribute to the plans and makes additional contributions based upon the compensation

of eligible employees regardless of whether or not the employees contribute to the plans. In addition, the Company has other defined contribution plans covering certain employees of the Company and employees of its foreign affiliates. The Company's expense for its defined contribution plans totaled $45.2 million, $42.6 million, and $34.3 million for the years ended December 31, 2001, 2000, and 1999, respectively.

8. Balance sheet accounts

Property, plant, and equipment consisted of the following (in millions):

	December 31,	
	2001	2000
Land	$ 207.7	$ 120.0
Buildings and building improvements	980.1	901.7
Manufacturing equipment	356.5	287.6
Laboratory equipment	394.3	338.1
Furniture and office equipment	894.8	672.6
Leasehold improvements	67.0	53.7
Construction in progress	209.5	345.5
	3,109.9	2,719.2
Less accumulated depreciation and amortization	(1,163.8)	(937.7)
	$ 1,946.1	$1,781.5

Accrued liabilities consisted of the following (in millions):

	December 31,	
	2001	2000
Employee compensation and benefits	$147.2	$151.9
Sales incentives, royalties, and allowances	124.7	107.6
Obligations from terminating collaboration agreements (see Note 4, "Other items, net")	100.7	--
Due to affiliated companies and corporate partners	97.6	92.8
Income taxes	92.6	116.7
Clinical development costs	56.0	50.5
Other	147.5	99.7
	$766.3	$619.2

9. Fair values of financial instruments

The carrying amounts of cash, cash equivalents, marketable securities, and marketable equity investments approximated their fair values. Fair values of cash equivalents, marketable securities, and marketable equity investments are based on quoted market prices.

The carrying amount of commercial paper approximated its fair value as of December 31, 2001 and 2000. The fair values of long-term debt at December 31, 2001 and 2000 totaled approximately $244.9 million and $222.0 million, respectively. The fair values of commercial paper and long-term debt were estimated based on quoted market rates for instruments with similar terms and remaining maturities.

The carrying amounts of derivative instruments approximated their fair values. At December 31, 2001 and 2000, the fair values of derivative instruments were not material.

10. Segment information

The company operates in one business segment--human therapeutics. Therefore, results of operations are reported on a consolidated basis for purposes of segment reporting. Enterprise-wide disclosures about revenues by product, revenues and long-lived assets by geographic area, and revenues from major customers are presented below.

Revenues

Revenues consisted of the following (in millions):

	Years ended December 31,		
	2001	2000	1999
EPOGEN(R)/Aranesp(TM)	$2,150.0	$1,962.9	$1,759.1
NEUPOGEN(R)	1,346.4	1,223.7	1,256.6
Other product sales	14.6	15.6	27.1
Total product sales	3,511.0	3,202.2	3,042.8
Other revenues	504.7	427.2	297.3
Total revenues	$4,015.7	$3,629.4	$3,340.1

Geographic information

Outside the U.S., the Company sells NEUPOGEN(R) in the European Union ("EU"), Canada, and Australia. Outside the U.S., the Company sells Aranesp(TM) in most countries in the EU, Australia, and New Zealand. Information regarding revenues and long-lived assets (consisting of property, plant, and equipment) attributable to the United States and to all foreign countries collectively is stated below. The geographic classification of product sales was based upon the location of the customer. The geographic classification of all other revenues was based upon the domicile of the entity from which the revenues were earned. Information is as follows (in millions):

	Years ended December 31,		
	2001	2000	1999
Revenues:			
U.S. and possessions	$3,688.5	$3,343.0	$3,024.5
Foreign countries	327.2	286.4	315.6
Total revenues	$4,015.7	$3,629.4	$3,340.1

	December 31,		
	2001	2000	1999
Long-lived assets:			
U.S. and possessions	$1,861.0	$1,706.5	$1,475.7
Foreign countries	85.1	75.0	77.9
Total long-lived assets	$1,946.1	$1,781.5	$1,553.6

Major customers

Amgen uses wholesale distributors of pharmaceutical products as the principal means of distributing the Company's products to clinics, hospitals, and pharmacies. The Company monitors the financial condition of its larger distributors and limits its credit exposure by setting appropriate credit limits and requiring collateral from certain customers.

For the year ended December 31, 2001, sales to three large wholesalers each accounted for more than 10% of total revenues. Sales to these three wholesalers were $1,470.1 million, $535.8 million, and $459.8 million. For the years ended December 31, 2000 and 1999, sales to two large wholesalers each accounted for more than 10% of total revenues. Sales to these wholesalers were $1,233.4 million and $445.2 million, respectively, for the year ended December 31, 2000. Sales to these two wholesalers were $1,078.0 million and $438.2 million, respectively, for the year ended December 31, 1999.

At December 31, 2001, amounts due from three large wholesalers each exceeded 10% of gross trade receivables, and accounted for 64% of gross trade receivables on a combined basis. At December 31, 2000, amounts due from four large wholesalers each exceeded 10% of gross trade receivables, and accounted for 51% of gross trade receivables on a combined basis.

11. Kinetix acquisition

On December 14, 2000, Amgen acquired all of the outstanding shares of Kinetix Pharmaceuticals, Inc. ("Kinetix"), a privately held company, in a tax-free exchange for 2.6 million shares of Amgen common stock. The acquisition was accounted for under the purchase method of accounting, and accordingly, the operating results of Kinetix are included in the accompanying consolidated financial statements starting from December 14, 2000. The acquisition was valued at $172.2 million, including $1.0 million of related acquisition costs and $6.5 million of Amgen restricted common stock issued in exchange for Kinetix restricted common stock held by employees retained from Kinetix. The $6.5 million is being recognized as compensation expense over the vesting period of the restricted common stock.

The purchase price was allocated among identifiable tangible and intangible assets and liabilities of Kinetix based upon their fair values. A discounted, risk-adjusted cash flow analysis was performed to value the technology platform of Kinetix expected to generate future molecules that may be developed into human therapeutics, as well as in-process research projects. The analysis resulted in valuing the acquired base technology at $36.6 million, which was capitalized and will be amortized on a straight-line basis over a 15 year period. Additionally, $30.1 million of value was assigned to acquired in-process research and development, and was expensed on the acquisition date in accordance with generally accepted accounting principles. The excess of the purchase price over the fair values of assets and liabilities acquired of $103.3 million was allocated to goodwill, which was amortized through December 31, 2001 using a 15 year useful life. Goodwill amortization ceased beginning January 1, 2002 (see Note 1, "Summary of significant accounting policies--Recent accounting pronouncements").

12. Proposed merger with Immunex

On December 16, 2001, the Company signed a definitive agreement to acquire Immunex Corporation ("Immunex") in a transaction to be accounted for as a purchase. Immunex is a biopharmaceutical company dedicated to developing immune system science to protect human health. Under the terms of the agreement, each share of Immunex common stock outstanding at the closing of the merger, other than shares as to which dissenters' rights have been validly exercised, will be converted into 0.44 of a share of Amgen common stock

and $4.50 cash. In addition, at the closing of the merger each option outstanding to purchase a share of Immunex common stock will be assumed by Amgen and exchanged into an option to purchase Amgen common stock based on the terms of the merger agreement. The estimated purchase price is approximately $17.6 billion, which includes the cash portion of the merger consideration, the estimated fair values of Amgen stock issued and options to be exchanged, and the direct transaction costs. The final purchase price will be determined based upon the number of Immunex shares and options outstanding at the closing date. The transaction is expected to close in the second half of 2002, subject to approval by shareholders of both companies, customary regulatory approvals, as well as other customary closing conditions.

13. Quarterly financial data (unaudited)
(in millions, except per share data)

2001 Quarter Ended	Dec. 31(1)	Sept. 30	June 30	Mar. 31
Product sales	$974.1	$879.6	$858.9	$798.4
Gross margin from product sales	821.6	776.9	760.5	709.0
Net income	163.0	329.9	321.9	304.9
Earnings per share:				
Basic	$ 0.16	$ 0.31	$ 0.31	$ 0.29
Diluted	$ 0.15	$ 0.30	$ 0.30	$ 0.28

2000 Quarter Ended	Dec. 31 (2)	Sept. 30 (3)	June 30	Mar. 31 (4)
Product sales	$846.8	$851.0	$806.8	$697.6
Gross margin from product sales	735.3	741.5	705.1	611.9
Net income	210.8	358.9	302.6	266.2
Earnings per share:				
Basic	$ 0.20	$ 0.35	$ 0.29	$ 0.26
Diluted	$ 0.19	$ 0.33	$ 0.28	$ 0.25

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(1) During the fourth quarter of 2001, the Company recorded a charge of $203.1 million, primarily related to the costs of terminating collaboration agreements with various third parties, including Praecis and certain academic institutions (see Note 4, "Other items, net--Termination of collaboration agreements"). In addition, Amgen recorded a charge of $39.5 million, included in cost of sales, to write-off certain inventory deemed not recoverable (see Note 1, "Summary of significant accounting policies--Inventories"). After applicable tax effects, the impact of these items on net income was $0.15 per share for the year ended December 31, 2001.

(2) During the fourth quarter of 2000, the Company recorded an after-tax charge of $30.1 million to write-off acquired in-process research and development related to the acquisition of Kinetix (see Note 11, "Kinetix acquisition"). In addition, the Company made a contribution of $25 million to the Amgen Foundation (see Note 4, "Other items, net--Amgen Foundation contribution"). After applicable tax effects, these amounts combined with the legal award discussed in item 3 below had no impact on net income for the year ended December 31, 2000.

(3) During the third quarter of 2000, the Company recorded a net legal award of $73.9 million, which primarily represents an award for certain costs and expenses, including attorney's fees, associated with the spillover arbitration with Johnson & Johnson (see Note 4, "Other items, net--Legal award, net").

(4) During the first quarter of 2000, sales were adversely impacted by Year 2000-related sales totaling $45 million. In addition, the Company believes sales were adversely impacted by additional 1999 year-end stockpiling of EPOGEN(R) by dialysis providers and by wholesalers reducing their inventories of NEUPOGEN(R).

14. Subsequent event (unaudited)

On February 22, 2002, the Company announced that it has agreed to issue $3.5 billion in aggregate face amount of 30-year zero coupon senior notes (the "Convertible Notes") that are convertible into shares of the Company's common stock. The proceeds from the offering, net of estimated issuance costs, are expected to be approximately $2.45 billion. The Company may raise up to an additional $321 million upon exercise of an over-allotment option that has been granted in connection with the offering. The Company expects to use approximately $650 million of the net proceeds to repurchase shares of its common stock simultaneously with the issuance of the Convertible Notes, with the remaining proceeds to be used for general corporate purposes.

The terms of the Convertible Notes include a yield to maturity of 1.125% and an initial conversion premium of 40%. Amgen may not call the Convertible Notes for redemption until five years from the date of issuance, after which they are redeemable by Amgen at the accreted value. The holders of the Convertible Notes will have the option to require the Company to purchase their Convertible Notes at the accreted value on specific dates in years three, five, ten, and fifteen. The Company may choose to pay the redemption purchase price in cash and/or shares of common stock. In addition, starting the day after the fifth anniversary of issuance, the Company will be obligated to make contingent interest payments if the market price of the Convertible Notes exceeds certain thresholds.

The issuance of the Convertible Notes is subject to customary closing conditions and is expected to be completed by March 1, 2002.

SCHEDULE II

AMGEN INC.

VALUATION ACCOUNTS

Years ended December 31, 2001, 2000, and 1999
(In millions)

	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Balance at end of period
Year ended December 31, 2001:				
Allowance for doubtful accounts.	$21.2	$ 0.3	$0.1	$21.4
Year ended December 31, 2000:.....				
Allowance for doubtful accounts.	$26.0	$ 0.1	$4.9	$21.2
Year ended December 31, 1999:.....				
Allowance for doubtful accounts.	$17.1	$10.1	$1.2	$26.0

Exhibit 3.2

AMENDED AND RESTATED BYLAWS

OF

AMGEN INC.

(AS AMENDED and RESTATED JANUARY 7, 2002)

AMENDED AND RESTATED BYLAWS

OF

AMGEN INC.
(a Delaware corporation)

ARTICLE I

Offices

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Dover, County of Kent.

Section 2. Other Offices. The corporation also shall have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and also may have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

Corporate Seal

Section 3. Corporate Seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

Stockholders' Meetings

Section 4. Place of Meetings. Meetings of the stockholders of the corporation shall be held at such place, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors, or, if not so designated, then at the office of the corporation required to be maintained pursuant to Section 2 hereof.

Section 5. Annual Meeting. The annual meeting of the stockholders of the corporation shall be held on any date and time which may from time to time be designated by the Board of Directors. At such annual meeting, directors shall be elected and any other business may be transacted that may properly come before the meeting.

Section 6. Special Meetings. Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by the Chairman of the Board of Directors ("Chairman of the Board"), the Chief Executive Officer, the President, or the Board of Directors at any time.

Section 7. Notice of Meetings. Except as otherwise provided by law or the Certificate of Incorporation, written notice of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, date and hour and purpose or purposes of the meeting. Notice of the time, place and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. Any shares, the voting of which at said meeting has been enjoined, or which for any reason cannot be lawfully voted at such meeting, shall not be counted to determine a quorum at such meeting. In the absence of a quorum any meeting of stockholders may be adjourned, from time to time, by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all action taken by the holders of a majority of the voting power represented at any meeting at which a quorum is present shall be valid and binding upon the corporation.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time by the vote of a majority of the shares, the holders of which are present either in person or by proxy. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the

adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent, which proxy shall be filed with the Secretary at or before the meeting at which it is to be used. An agent so appointed need not be a stockholder. No proxy shall be voted on after three (3) years from its date of creation unless the proxy provides for a longer period. All elections of Directors shall be by written ballot, unless otherwise provided in the Certificate of Incorporation.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the General Corporation Law of Delaware, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of this subsection (c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where the meeting is to be held. The list shall be produced and kept at the time

and place of meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 13. No Action Without Meeting. Any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

Section 14. Organization. At every meeting of stockholders, the Chairman of the Board, or, if the Chairman of the Board is absent, the Chief Executive Officer, or, if the Chief Executive Officer is absent, the President, or, if the President is absent, the most senior Vice President present, or in the absence of any such officer, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

Section 15. Notifications of Nominations and Proposed Business. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation,

(x) nominations for the election of directors, and

(y) business proposed to be brought before any stockholder meeting,

may be made by the Board of Directors or a proxy committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any such stockholder may nominate one or more persons for election as directors at a meeting or propose business to be brought before a meeting, or both, only if such stockholder has given timely notice in proper written form of his intent to make such nomination or nominations or to propose such business. To be timely, a stockholder's notice must be delivered to or mailed and received by the Secretary of the corporation not later than 90 days prior to such meeting; provided, however, that in the event that less than 100 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received not later than the close of business on the 10th day following the date on which such notice of the date of such meeting was mailed or such public disclosure was made. To be in proper written form, a stockholder's notice to the Secretary shall set forth:

(a) the name and address of the stockholder who intends to make the nominations or propose the business and, as the case may be, of the person or persons to be nominated or of the business to be proposed;

(b) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

(c) if applicable, a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder;

(d) such other information regarding each nominee or each matter of business to be proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, or the matter been proposed, or intended to be proposed by the Board of Directors; and

(e) if applicable, the consent of each nominee to serve as director of the corporation if so elected.

The chairman of the meeting may refuse to acknowledge the nomination of any person or the proposal of any business not made in compliance with the foregoing procedure.

ARTICLE IV

Directors

Section 16. Number. The authorized number of directors of the corporation shall be fixed from time to time by the Board of Directors. The number of directors presently authorized is thirteen. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 17. Classes of Directors. The Board of Directors shall be divided into three classes: Class I, Class II and Class III, which shall be as nearly equal in number as possible. Each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting at which the director was elected. Notwithstanding the foregoing provisions of this section, each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal.

Section 18. Newly Created Directorships and Vacancies. In the event of any increase or decrease in the authorized number of directors, the newly created or

eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to maintain such classes as nearly equal in number as possible. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. Newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office (and not by stockholders), even though less than a quorum of the authorized Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successors shall have been elected and qualified.

Section 19. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 20. Resignation. Any director may resign at any time by delivering his written resignation to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified.

Section 21. Removal. At a special meeting of stockholders called for the purpose in the manner hereinabove provided, the Board of Directors, or any individual director, may be removed from office, with cause, and one or more new directors may be elected, by a vote of stockholders holding a majority of the outstanding shares entitled to vote at an election of Directors.

Section 22. Meetings.

(a) Annual Meetings. The annual meeting of the Board of Directors shall be held on the date of the annual meeting of stockholders and at the place where such meeting is held. No notice of an annual meeting of the Board of Directors shall be necessary and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Regular Meetings. Except as hereinafter otherwise provided, regular meetings of the Board of Directors shall be held in the office of the corporation required to be maintained pursuant to Section 2 hereof. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors also may be held at any place within or without the State of Delaware which has been designated by resolution of the Board of Directors or the written consent of all Directors.

(c) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer, the President or a majority of the Directors.

(d) Telephone Meetings. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(e) Notice of Meetings. Written notice of the time and place of all regular and special meetings of the Board of Directors shall be given at least one (1) day before the date of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(f) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the Directors not present sign a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 23. Quorum and Voting.

(a) Quorum. Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of Directors fixed from time to time in accordance with Section 16 of these Bylaws, but not less than one (1); provided, however, at any meeting whether a quorum is present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) Majority Vote. At each meeting of the Board of Directors at which a quorum is present all questions and business shall be determined by a vote of a majority of the Directors present, unless a different vote is required by law, the Certificate of Incorporation or these Bylaws.

Section 24. Action without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 25. Fees and Compensation. Directors shall not receive any stated salary for their services as Directors, but by resolution of the Board of Directors a fixed fee, with or without expense of attendance, may be allowed for serving on the Board of Directors and/or attendance at each meeting and at each meeting of any committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, consultant, employee, or otherwise and receiving compensation therefor.

Section 26. Committees.

(a) Executive Committee. The Board of Directors may by resolution passed by a majority of the whole Board of Directors, appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and specifically granted by the Board of Directors, shall have and may exercise when the Board of Directors is not in session all powers of the Board of Directors in the management of the business and affairs of the corporation, including, without limitation, the power and authority to declare a dividend or to authorize the issuance of stock, except such committee shall not have the power or authority to amend the Certificate of Incorporation (except that the committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors as provided by law, fix any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation), to adopt an agreement of merger or consolidation, to recommend to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, to recommend to the stockholders a dissolution of the corporation or a revocation of a dissolution or to amend these Bylaws.

(b) Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, from time to time appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors, and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. Each member of a committee of the Board of Directors shall serve a term on the committee coexistent with such member's term on the Board of Directors. The Board of Directors, subject to the provisions of subsections (a) or (b) of this Section 26, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 26 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at the principal office of the corporation required to be maintained pursuant to Section 2 hereof, or at any place which has been designated from time to time by resolution of such committee or by written consent of all members thereof, and may be called by any director who is a member of such committee, upon written notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of written notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. A majority of the authorized number of members of any

such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 27. Organization. At every meeting of the directors, the Chairman of the Board, or, if the Chairman of the Board is absent, the Chief Executive Officer, or if the Chief Executive Officer is absent, the President, or if the President is absent, the most senior Vice President, or, in the absence of any such officer, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

ARTICLE V

Officers

Section 28. Officers Designated. The officers of the corporation shall be the Chairman of the Board, the Chief Executive Officer, the President and Chief Operating Officer, one or more Vice Presidents, the Chief Financial Officer and the Secretary, all of whom shall be elected at the annual meeting of the Board of Directors. The Board of Directors also may appoint such other officers and agents with such powers and duties as it shall deem necessary. The order of the seniority of the Vice Presidents shall be in the order of their nomination, unless otherwise determined by the Board of Directors. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 29. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board. The Chairman of the Board, subject to the control of the Board of Directors, shall perform such duties and functions as are necessary to further the strategic direction of the corporation. Unless the Board of Directors designates another person, the Chairman of the Board shall preside at all meetings of the stockholders, the Board of Directors and of the Executive Committee.

(c) Duties of Chief Executive Officer. The Chief Executive Officer, at the request of the Chairman of the Board or upon his absence or disability, or in the event of a vacancy in the office of Chairman of the Board, shall exercise all the powers of Chairman of the Board as provided in Subsection 29(b). The Chief Executive Officer shall, subject to the control of the Board of Directors, exercise general management and supervision over the property, affairs and business of the corporation and shall authorize officers of the corporation, other than the Chairman of the Board, to exercise such powers as he, in his discretion, may deem to be in the best interests of the corporation. The Chief Executive Officer shall in general perform all duties incident to general management and supervision of the corporation and such other duties as the Board of Directors shall designate from time to time.

(d) Duties of President and Chief Operating Officer. The President and Chief Operating Officer, at the request of the Chief Executive Officer or upon his absence or disability, or in the event of a vacancy in the office of Chief Executive Officer, shall exercise all the powers of Chief Executive Officer as provided in Subsection 29(c). The President and Chief Operating Officer shall, subject to the control of the Chief Executive Officer and the Board of Directors, exercise general management and supervision over the operating functions of the corporation, and shall authorize officers of the corporation, other than the Chairman of the Board and the Chief Executive Officer, to exercise such powers with respect to the operating function of the corporation as he, in his discretion, may deem to be in the best interests of the corporation. The President and Chief Operating Officer shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(e) Duties of Vice Presidents. The Vice Presidents, in the order of their seniority, may assume and perform the duties of the President and Chief Operating Officer in the absence or disability of the Chief Executive Officer and the President and Chief Operating Officer or whenever the offices of Chief Operating Officer and President and Chief Operating Officer are vacant. The Vice Presidents shall perform other duties commonly incident to their office and also shall perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer, or the President and Chief Operating Officer shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner, and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time. The Chief Executive Officer

may direct any Assistant Chief Financial Officer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Assistant Chief Financial Officer shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(g) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors, and shall record all acts and proceedings thereof in the minute books of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders, and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties given him in these Bylaws and other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Chief Executive Officer may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

Section 30. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective.

Section 31. Removal. Any officer may be removed from office at any time, with or without cause, by the vote or written consent of a majority of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

Section 32. Compensation. The compensation of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such compensation by reason of the fact that such officer is also a director of the corporation.

ARTICLE VI

Execution of Corporate Instruments and Voting of Securities Owned by the Corporation

Section 33. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the corporation, shall be executed, signed or endorsed by the Chairman of the Board, or the Chief Executive Officer, or the President or any Vice President, and by the Secretary or Treasurer or any Assistant Secretary or Assistant Treasurer. All other instruments and documents requiring the corporate signature, but not requiring the corporate seal, may be executed as aforesaid or in such other manner as may be directed by the Board of Directors.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Section 34. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized to do so by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

Shares of Stock

Section 35. Form and Execution of Certificates. The shares of the corporation shall be represented by certificates, provided that the Board of Directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by, the Chairman of the Board or any vice-chairman of the

Board of Directors, or the Chief Executive Officer, or the President or any Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 36. Lost Certificates. The corporation may issue a new certificate of stock or uncertificated shares in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen or destroyed, and the corporation may require the owner of such lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against the corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section 37. Transfers. Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

Section 38. Fixing Record Dates. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed: (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (b) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 39. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares

to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 40. Issuance, Transfer and Resignation of Shares. The Board of Directors may make such rules and regulations, not inconsistent with law or with these Bylaws, as it may deem advisable concerning the issuance, transfer and registration of certificates for shares of the capital stock of the corporation. The Board of Directors may appoint a transfer agent or registrar of transfers, or both, and may require all certificates for shares of the corporation to bear the signature of either or both.

ARTICLE VIII

Other Securities of the Corporation

Section 41. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates, may be signed by the Chairman of the Board, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

Dividends

Section 42. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 43. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

Fiscal Year

Section 44. Fiscal Year. Unless otherwise fixed by resolution of the Board of Directors, effective as of January 1, 1992, the fiscal year of the corporation shall end on the 31st day of the month of December in each calendar year.

ARTICLE XI

Indemnification of Directors, Officers Employees and Other Agents

Section 45. Indemnification of Directors, Officers, Employees and Other Agents.
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(a) Directors and Officers. The corporation shall indemnify its directors and officers to the full extent permitted by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said Law permitted the corporation to provide prior to such amendment); provided, further, that the corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person or any proceeding by such person against the corporation or its directors, officers, employees or other agents unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation or (iii) such indemnification is provided by the corporation,

in its sole discretion, pursuant to the powers vested in the corporation under the Delaware General Corporation Law, or (iv) such indemnification is required to be made under subsection (d) of this Article XI.

(b) Other Employees and Other Agents. The corporation shall have the power to indemnify its other employees and other agents as set forth in the Delaware General Corporation Law.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of any such proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding upon receipt of any undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under this Bylaw or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (d) of this Bylaw, no advance shall be made by the corporation to an officer of the corporation in any action, suit or proceeding, whether civil, criminal, administrative or investigate, if a determination is reasonably and promptly made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (2) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion that, the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not reasonably believe to be in or not opposed to the best interests of the corporation, or, with respect to any criminal action or proceeding, such person believed or had reasonable cause to believe his conduct was unlawful, except by reason of the fact that such officer is or was a director of the corporation or is or was serving at the request of the corporation as a director of another corporation, joint venture, trust or other enterprise in which event this paragraph shall not apply.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or officer who serves in such capacity at any time while this Bylaw and other relevant provisions of the Delaware General Corporation Law and other applicable law, if any, are in effect. Any right to

indemnification or advances granted by this Bylaw to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer is or was a director of the corporation or is or was serving at the request of the corporation as a director of another corporation, partnership, joint venture, trust or other enterprise) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not reasonably believe to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, such person believed or had reasonable cause to believe his conduct was unlawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Article XI or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, as provided by law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director, officer, employee or

other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the Delaware General Corporation Law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

(h) Amendments. Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Savings Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and officer to the full extent permitted by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Bylaw with respect

to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a "director," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Bylaw.

ARTICLE XII

Notices

Section 46. Notices.

(a) Notice to Stockholders. Whenever under any provisions of these Bylaws notice is required to be given to any stockholder, it shall be given in writing, timely and duly deposited in the United States mail, postage prepaid, and addressed to his last known post office address as shown by the stock record of the corporation or its transfer agent.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or by telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Address Unknown. If no address of a stockholder or director be known, notice may be sent to the office of the corporation required to be maintained pursuant to Section 2 hereof.

(d) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall be conclusive evidence of the statements therein contained.

(e) Time Notices Deemed Given. All notices given by mail, as above provided, shall be deemed to have been given as at the time of mailing and all notices given by telegram shall be deemed to have been given as at the sending time recorded by the telegraph company transmitting the notices.

(f) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all directors, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(g) Failure to Receive Notice. The period or limitation of time within which any stockholder may exercise any option or right, or enjoy any privilege or benefit, or be required to act, or within which any director may exercise any power or right, or enjoy any privilege, pursuant to any notice sent him in the manner above provided, shall not be affected or extended in any manner by the failure of such stockholder or such director to receive such notice.

(h) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the Delaware General Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

ARTICLE XIII

Amendments

Section 47. Amendments. These Bylaws may be repealed, altered or amended or new Bylaws adopted by the affirmative vote of the holders of not less than sixty-six and two-thirds percent (66-2/3%) of the outstanding shares of stock entitled to vote upon the election of directors. The Board of Directors also shall have the authority, if such authority is conferred upon the Board of Directors by the Certificate of Incorporation, to repeal, alter or amend these Bylaws or adopt new Bylaws (including, without limitation, the amendment of any Bylaw setting forth the number of directors who shall constitute the whole Board of Directors) subject to the foregoing power of the stockholders to change or repeal such Bylaws and provided that the Board of Directors shall not make or alter any Bylaws fixing the qualifications, classifications, term of office or compensation of directors.

ARTICLE XIV

Loans of Officers and Others

Section 48. Certain Corporate Loans and Guaranties. The corporation may make loans of money or property to, or guarantee the obligations of, or otherwise assist any officer or other employee who is a director of the corporation or its parent or any subsidiary, or adopt an employee benefit plan or plans authorizing such loans or guaranties, upon the approval of the Board of Directors alone if the Board of Directors determines that such a loan or guaranty or plan may reasonably be expected to benefit the corporation.

Exhibit 10.1

AMGEN INC.

AMENDED AND RESTATED 1991 EQUITY INCENTIVE PLAN

1. PURPOSE.

(a) The purpose of the Amended and Restated 1991 Equity Incentive Plan as amended and restated in December 2001 (the "Plan") is to provide a means by which employees or directors of and consultants to Amgen Inc., a Delaware corporation (the "Company"), and its Affiliates, as defined in paragraph 1(b), directly, or indirectly through Trusts, may be given an opportunity to benefit from increases in value of the stock of the Company through the granting of (i) incentive stock options, (ii) nonqualified stock options, (iii) stock bonuses, and (iv) rights to purchase restricted stock, all as defined below. For purposes of the incentive stock option rules of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), the Plan is a new plan.

(b) The word "Affiliate" as used in the Plan means any parent corporation or subsidiary corporation of the Company, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(c) The Company, by means of the Plan, seeks to retain the services of persons now employed by or serving as directors or consultants to the Company, to secure and retain the services of persons capable of filling such positions, and to provide incentives for such persons to exert maximum efforts for the success of the Company.

(d) The Company intends that the rights issued under the Plan ("Stock Awards") shall, in the discretion of the Board of Directors of the Company (the "Board") or any committee to which responsibility for administration of the Plan has been delegated pursuant to paragraph 2(c), be either (i) stock options granted pursuant to Sections 5 or 6 hereof, including incentive stock options as that term is used in Section 422 of the Code ("Incentive Stock Options"), or options which do not qualify as Incentive Stock Options ("Nonqualified Stock Options") (together hereinafter referred to as "Options"), or (ii) stock bonuses or rights to purchase restricted stock granted pursuant to Section 7 hereof.

(e) The word "Trust" as used in the Plan shall mean a trust created for the benefit of the employee, director or consultant, his or her spouse, or members of their immediate family. The word optionee shall mean the person to whom the option is granted or the employee, director or consultant for whose benefit the option is granted to a Trust, as the context shall require.

2. ADMINISTRATION.

(a) The Plan shall be administered by the Board unless and until the Board delegates administration to a committee, as provided in paragraph 2(c).

(b) The Board shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(1) To determine from time to time which of the persons eligible under the Plan shall be granted Stock Awards; when and how Stock Awards shall be granted; whether a Stock Award will be an Incentive Stock Option, a Nonqualified Stock Option, a stock bonus, a right to purchase restricted stock, or a combination of the foregoing; the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to purchase or receive stock pursuant to a Stock Award; and the number of shares with respect to which Stock Awards shall be granted to each such person.

(2) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(3) To amend the Plan as provided in Section 14.

(4) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company.

(c) The Board may delegate administration of the Plan to a committee composed of not fewer than two (2) members of the Board (the "Committee"). One or more of these members may be non-employee directors and outside directors, if required and as defined by the provisions of paragraphs 2(e) and 2(f). If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board (except amendment of Section 6 or the options granted thereunder shall only be by action taken by the Board or a committee of one or more members of the Board to which such authority has been specifically delegated by the Board), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Notwithstanding anything else in this paragraph 2(c) to the contrary, at any time the Board or the Committee may delegate to a committee of one or more members of the Board the authority to grant or amend options to all employees, directors or consultants or any portion or class thereof.

(d) Notwithstanding anything else in the Plan to the contrary, at any time the Board or the Committee may authorize by duly adopted resolution one or more Officers (as

defined below) (each a "Delegated Officer") to take the actions described in paragraph 2(b)(1) of the Plan with respect to Options only, subject to, and within the limitations of, the express provisions of the Plan; provided, however, that a Delegated Officer shall not have the power to (1) grant any Options to himself, any non-employee director, consultant, Trust, other Delegated Officer or Officer, (2) determine the time or times when a person shall be permitted to purchase stock pursuant to the exercise of an Option (i.e., vesting), (3) determine the exercise price of an Option, or (4) grant any Option to a parent corporation of the Company, as defined in Section 424(e) of the Code. The resolution authorizing a Delegated Officer to act as such shall specify the total number of shares of Common Stock that a Delegated Officer may grant with respect to Options. The exercise price (including any formula by which such price or prices may be determined) and the time or times when a person shall be permitted to purchase stock pursuant to the exercise of an Option shall, however, be set by the Board or the Committee and not by a Delegated Officer to the extent required by Delaware General Corporation Law Section 157 or any other applicable law. The term "Officer" shall include any natural person who is elected as a corporate officer of the Company by the Board.

(e) The term "non-employee director" shall mean a member of the Board who (i) is not currently an officer of the Company or a parent or subsidiary of the Company (as defined in Rule 16a-1(f) promulgated by the Securities and Exchange Commission under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) or an employee of the Company or a parent or subsidiary of the Company; (ii) does not receive compensation from the Company or a parent or subsidiary of the Company for services rendered in any capacity other than as a member of the Board (including a consultant) in an amount required to be disclosed to the Company's stockholders under Rule 404 of Regulation S-K promulgated by the Securities and Exchange Commission ("Rule 404"); (iii) does not possess an interest in any other transaction required to be disclosed under Rule 404; or (iv) is not engaged in a business relationship required to be disclosed under Rule 404, as all of these provisions are interpreted by the Securities and Exchange Commission under Rule 16b-3 promulgated under the Exchange Act.

(f) The term "outside director," as used in this Plan, shall mean an administrator of the Plan, whether a member of the Board or of any Committee to which responsibility for administration of the Plan has been delegated pursuant to paragraph 2(c), who is considered to be an "outside director" in accordance with the rules, regulations or interpretations of Section 162(m) of the Code.

(g) Any requirement that an administrator of the Plan be a "non-employee director" or "outside director" shall not apply if the Board or the Committee expressly declares that such requirement shall not apply.

3. SHARES SUBJECT TO THE PLAN.

(a) Subject to the provisions of Section 11 relating to adjustments upon changes in stock, the stock that may be issued pursuant to Stock Awards granted under the Plan shall not exceed in the aggregate One Hundred Ninety-Two Million (192,000,000) shares of the Company's $.0001 par value common stock (the "Common Stock"). If any Stock Award granted under the Plan shall for any reason expire or otherwise terminate without having been exercised in full, the Common Stock not purchased under such Stock Award shall again become available for the Plan. Shares repurchased by the Company pursuant to any repurchase rights reserved by the Company pursuant to the Plan shall not be available for subsequent issuance under the Plan.

(b) The Common Stock subject to the Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

(c) An Incentive Stock Option may be granted to an eligible person under the Plan only if the aggregate fair market value (determined at the time the Incentive Stock Option is granted) of the Common Stock with respect to which incentive stock options (as defined by the Code) are exercisable for the first time by such optionee during any calendar year under all such plans of the Company and its Affiliates does not exceed one hundred thousand dollars ($100,000). If it is determined that an entire Option or any portion thereof does not qualify for treatment as an Incentive Stock Option by reason of exceeding such maximum, such Option or the applicable portion shall be considered a Nonqualified Stock Option.

4. ELIGIBILITY.

(a) Incentive Stock Options may be granted only to employees (including officers) of the Company or its Affiliates. A director of the Company shall not be eligible to receive Incentive Stock Options unless such director is also an employee of the Company or any Affiliate. Stock Awards other than Incentive Stock Options may be granted to employees (including officers) or directors of or consultants to the Company or any Affiliate or to Trusts of any such employee, director or consultant.

(b) A director shall in no event be eligible for the benefits of the Plan (other than from a Director NQSO under Section 6 of the Plan) unless and until such director is expressly declared eligible to participate in the Plan by action of the Board or the Committee, and only if, at any time discretion is exercised by the Board or the Committee in the selection of a director as a person to whom Stock Awards may be granted, or in the determination of the number of shares which may be covered by Stock Awards granted to a director, the Plan complies with the requirements of Rule 16b-3 promulgated under the Exchange Act, as from

time to time in effect. The Board shall otherwise comply with the requirements of Rule 16b-3 promulgated under the Exchange Act, as from time to time in effect. Notwithstanding the foregoing, the restrictions set forth in this paragraph 4(b) shall not apply if the Board or Committee expressly declares that such restrictions shall not apply.

(c) No person shall be eligible for the grant of an Incentive Stock Option under the Plan if, at the time of grant, such person owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Affiliates unless the exercise price of such Incentive Stock Option is at least one hundred and ten percent (110%) of the fair market value of the Common Stock at the date of grant and the Incentive Stock Option is not exercisable after the expiration of five (5) years from the date of grant.

(d) Stock Awards shall be limited to a maximum of 2,000,000 shares of Common Stock per person per calendar year.

5. TERMS OF DISCRETIONARY STOCK OPTIONS.

An option granted pursuant to this Section 5 (a "Discretionary Stock Option") shall be in such form and shall contain such terms and conditions as the Board or the Committee shall deem appropriate. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

(a) No Option shall be exercisable after the expiration of ten (10) years from the date it was granted.

(b) The exercise price of each Incentive Stock Option and each Nonqualified Stock Option shall be not less than one hundred percent (100%) of the fair market value of the Common Stock subject to the Option on the date the Option is granted.

(c) The purchase price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either: (i) in cash at the time the Option is exercised; or (ii) at the discretion of the Board or the Committee, either at the time of grant or exercise of the Option (A) by delivery to the Company of shares of Common Stock that have been held for the period required to avoid a charge to the Company's reported earnings and valued at the fair market value on the date of exercise, (B) according to a deferred payment or other arrangement with the person to whom the Option is granted or to whom the Option is transferred pursuant to paragraph 5(d), or (C) in any other form of legal consideration that may be acceptable to the Board or the Committee in their discretion; including but not limited to payment of the purchase price pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of

cash (or a check) by the Company before Common Stock is issued or the receipt of irrevocable instruction to pay the aggregate exercise price to the Company from the sales proceeds before Common Stock is issued.

In the case of any deferred payment arrangement, interest shall be payable at least annually and shall be charged at not less than the minimum rate of interest necessary to avoid the treatment as interest, under any applicable provisions of the Code, of any amounts other than amounts stated to be interest under the deferred payment arrangement.

(d) An Option granted to a natural person shall be exercisable during the lifetime of such person only by such person, provided that such person during such person's lifetime may designate a Trust to be such person's beneficiary with respect to any Incentive Stock Options granted after February 25, 1992 and with respect to any Nonqualified Stock Options, and such beneficiary shall, after the death of the person to whom the Option was granted, have all the rights that such person has while living, including the right to exercise the Option. In the absence of such designation, after the death of the person to whom the Option is granted, the Option shall be exercisable by the person or persons to whom the optionee's rights under such Option pass by will or by the laws of descent and distribution.

(e) The total number of shares of Common Stock subject to an Option may, but need not, be allotted in periodic installments (which may, but need not, be equal). From time to time during each of such installment periods, the Option may become exercisable ("vest") with respect to some or all of the shares allotted to that period, and may be exercised with respect to some or all of the shares allotted to such period and/or any prior period as to which the Option was not fully exercised. During the remainder of the term of the Option (if its term extends beyond the end of the installment periods), the Option may be exercised from time to time with respect to any shares then remaining subject to the Option. The provisions of this paragraph 5(e) are subject to any Option provisions governing the minimum number of shares as to which an Option may be exercised.

(f) The Company may require any optionee, or any person to whom an Option is transferred under paragraph 5(d), as a condition of exercising any such Option: (i) to give written assurances satisfactory to the Company as to such person's knowledge and experience in financial and business matters and/or to employ a purchaser representative who has such knowledge and experience in financial and business matters, and that such person is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Option; and (ii) to give written assurances satisfactory to the Company stating that such person is acquiring the Common Stock subject to the Option for such person's own account and not with any present intention of selling or otherwise distributing the Common Stock. These requirements, and any assurances given pursuant to such requirements, shall be

inoperative if: (x) the issuance of the shares upon the exercise of the Option has been registered under a then currently effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"); or (y) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities law.

(g) An Option shall terminate three (3) months after termination of the optionee's employment or relationship as a consultant or director with the Company or an Affiliate, unless: (i) such termination is due to the optionee's permanent and total disability, within the meaning of Section 422(c)(6) of the Code and with such permanent and total disability being certified by the Social Security Administration prior to such termination, in which case the Option may, but need not, provide that it may be exercised at any time within one (1) year following such termination of employment or relationship as a consultant or director; (ii) the optionee dies while in the employ of or while serving as a consultant or director to the Company or an Affiliate, or within not more than three (3) months after termination of such employment or relationship as a consultant or director, in which case the Option may, but need not, provide that it may be exercised at any time within eighteen (18) months following the death of the optionee by the person or persons to whom the optionee's rights under such Option pass by will or by the laws of descent and distribution; or (iii) the Option by its term specifies either (A) that it shall terminate sooner than three (3) months after termination of the optionee's employment or relationship as a consultant or director with the Company or an Affiliate; or (B) that it may be exercised more than three (3) months after termination of the optionee's employment or relationship as a consultant or director with the Company or an Affiliate. This paragraph 5(g) shall not be construed to extend the term of any Option or to permit anyone to exercise the Option after expiration of its term, nor shall it be construed to increase the number of shares as to which any Option is exercisable from the amount exercisable on the date of termination of the optionee's employment or relationship as a consultant or director.

(h) The Option may, but need not, include a provision whereby the optionee may elect at any time during the term of the optionee's employment or relationship as a consultant or director with the Company or any Affiliate to exercise the Option as to any part or all of the shares subject to the Option prior to the stated vesting dates of the Option. Any shares so purchased from any unvested installment or Option may be subject to a repurchase right in favor of the Company or to any other restriction the Board or the Committee determines to be appropriate.

(i) To the extent provided by the terms of an Option, each optionee may satisfy any federal, state or local tax withholding obligation relating to the exercise of such Option by any of the following means or by a combination of such means: (i) tendering a cash

payment; (ii) authorizing the Company to withhold from the shares of the Common Stock otherwise issuable to the optionee as a result of the exercise of the Option a number of shares having a fair market value less than or equal to the amount of the Company's required minimum statutory withholding; or (iii) delivering to the Company owned and unencumbered shares of the Common Stock having a fair market value less than or equal to the amount of the Company's required minimum statutory withholding.

(j) Without in any way limiting the authority of the Board or Committee to make or not to make grants of Discretionary Stock Options under this Section 5, the Board or Committee shall have the authority (but not an obligation) to include as part of any Option agreement a provision entitling the optionee to a further Option (a "Re-Load Option") in the event the optionee exercises the Option evidenced by the Option agreement, in whole or in part, by surrendering other shares of Common Stock in accordance with this Plan and the terms and conditions of the Option agreement. Any such Re-Load Option (i) shall be for a number of shares equal to the number of shares surrendered as part or all of the exercise price of such Option; (ii) shall have an expiration date which is the same as the expiration date of the Option the exercise of which gave rise to such Re-Load Option; and (iii) shall have an exercise price which is equal to one hundred percent (100%) of the fair market value of the Common Stock subject to the Re-Load Option on the date of exercise of the original Option or, in the case of a Re-Load Option which is an Incentive Stock Option and which is granted to a 10% stockholder (as defined in paragraph 4(c)), shall have an exercise price which is equal to one hundred and ten percent (110%) of the fair market value of the Common Stock subject to the Re-Load Option on the date of exercise of the original Option.

Any such Re-Load Option may be an Incentive Stock Option or a Nonqualified Stock Option, as the Board or Committee may designate at the time of the grant of the original Option, provided, however, that the designation of any Re-Load Option as an Incentive Stock Option shall be subject to the one hundred thousand dollars ($100,000) annual limitation on exercisability of Incentive Stock Options described in paragraph 3(c) of the Plan and in Section 422(d) of the Code. There shall be no Re-Load Option on a Re-Load Option. Any such Re-Load Option shall be subject to the availability of sufficient shares under paragraph 3(a) and shall be subject to such other terms and conditions as the Board or Committee may determine.

6. TERMS OF NON-DISCRETIONARY OPTIONS

(a) On January 27 of each year, each person who is at that time an Eligible Director of the Company, (as defined in paragraph 6(k)), shall automatically be granted under the Plan, without further action by the Company, the Board, or the Company's stockholders, a

Nonqualified Stock Option (a "Director NQSO") to purchase sixteen thousand (16,000) shares of Common Stock on the terms and conditions set forth herein. An Eligible Director may designate that such Director NQSO be granted in the name of a Trust instead of in the name of such Eligible Director. The Director NQSO shall be on the terms and conditions set forth herein and should the date of grant set forth above be a Saturday, Sunday or legal holiday, such grant shall be made on the next business day.

(b) Each person who becomes an Eligible Director, shall, upon the date such person first becomes an Eligible Director, automatically be granted under the Plan, without further action by the Company, the Board, or the Company's stockholders, a Director NQSO to purchase sixty thousand (60,000) shares of Common Stock on the terms and conditions set forth herein. An Eligible Director may designate that such Director NQSO be granted in the name of a Trust instead of in the name of such Eligible Director. The Director NQSO shall be on the terms and conditions set forth herein and should the date of grant set forth above be a Saturday, Sunday or legal holiday, such grant shall be made on the next business day.

(c) Each Director NQSO granted pursuant to this Section 6 (or any Director Re-Load Option granted pursuant to paragraph 6(j)) shall be in such form and shall contain such terms and conditions as the Board or the Committee shall deem appropriate. The provisions of separate Director NQSO's need not be identical, but each Director NQSO shall include (through incorporation of provisions hereof by reference in the Director NQSO or otherwise) the substance of each of the following provisions as set forth in paragraphs 6(d) through 6(j), inclusive.

(d) The term of each Director NQSO shall be ten (10) years from the date it was granted.

(e) The exercise price of each Director NQSO shall be one hundred percent (100%) of the fair market value of the Common Stock subject to such Director NQSO on the date such Director NQSO is granted.

(f) The purchase price of Common Stock acquired pursuant to a Director NQSO shall be paid, to the extent permitted by applicable statutes and regulations, either (i) in cash at the time the Director NQSO is exercised; (ii) by delivery to the Company of shares of Common Stock that have been held for the period required to avoid a charge to the Company's reported earnings and valued at their fair market value on the date of exercise; or (iii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or a check) by the Company before Common Stock is issued or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds before Common Stock is issued.

(g) A Director NQSO shall be exercisable during the lifetime of the Eligible

Director with respect to whom it was granted only by the person to whom it was granted (whether the Eligible Director or a Trust), provided that such person during the Eligible Director's lifetime may designate a Trust to be a beneficiary with respect to the Director NQSO, and such beneficiary shall, after the death of the Eligible Director to whom the Director NQSO was granted, have all of the rights designated for such beneficiary. In the absence of such designation, after the death of the Eligible Director with respect to whom the Director NQSO was granted, if such Director NQSO was granted to the Eligible Director, the Director NQSO shall be exercisable by the person or persons to whom the optionee's rights under such option pass by will or by the laws of descent and distribution.

(h) A Director NQSO shall not vest with respect to an Eligible Director, or the affiliate of such Eligible Director, as the case may be, (i) unless the Eligible Director, has, at the date of grant, provided three (3) years of prior continuous service as an Eligible Director, or (ii) until the date upon which such Eligible Director has provided one year of continuous service as an Eligible Director following the date of grant of such Director NQSO, whereupon such Director NQSO shall become fully vested and exercisable in accordance with its terms.

(i) The Company may require any optionee under this Section 6, or any person to whom a Director NQSO is transferred under paragraph 6(g), as a condition of exercising any such option: (i) to give written assurances satisfactory to the Company as to such person's knowledge and experience in financial and business matters and/or to employ a purchaser representative who has such knowledge and experience in financial and business matters, and that such person is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Director NQSO; and (ii) to give written assurances satisfactory to the Company stating that such person is acquiring the Common Stock subject to the Director NQSO for such person's own account and not with any present intention of selling or otherwise distributing the stock. These requirements, and any assurances given pursuant to such requirements, shall be inoperative if (i) the issuance of the shares upon the exercise of the Director NQSO has been registered under a then currently effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), or (ii), as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws.

(j) Subject to the last sentence of this paragraph 6(j), each Director NQSO shall include a provision entitling the optionee to a further Nonqualified Stock Option (a "Director Re-Load Option") in the event the optionee exercises the Director NQSO evidenced by the Director NQSO grant, in whole or in part, by surrendering other shares of Common Stock in accordance with the Plan and the terms of the Director NQSO grant. Any such Director Re-Load Option (i) shall be for a number of shares equal to the number of shares

surrendered as part or all of the exercise price of the original Director NQSO; (ii) shall have an expiration date which is the same as the expiration date of the original Director NQSO; and (iii) shall have an exercise price which is equal to one hundred percent (100%) of the fair market value of the Common Stock subject to the Director Re-Load Option on the date of exercise of the original Director NQSO. Any such Director Re-Load Option shall be subject to the availability of sufficient shares under paragraph 3(a). There shall be no Director Re-Load Option on a Director Re-Load Option. Notwithstanding anything else in the Plan to the contrary, this paragraph 6(j) shall be of no force and effect from and after June 23, 1998.

(k) For purposes of this Section 6, the term "Eligible Director" shall mean a member of the Board who is not an employee of the Company or any Affiliate, and the term "affiliate" shall mean a person that directly or indirectly controls, is controlled by, or is under common control with, the Eligible Director.

7. TERMS OF STOCK BONUSES AND PURCHASES OF RESTRICTED STOCK.

Each stock bonus or restricted stock purchase agreement shall be in such form and shall contain such terms and conditions as the Board or the Committee shall deem appropriate. The terms and conditions of stock bonus or restricted stock purchase agreements may change from time to time, and the terms and conditions of separate agreements need not be identical, but each stock bonus or restricted stock purchase agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions as appropriate:

(a) The purchase price under each stock purchase agreement shall be such amount as the Board or Committee shall determine and designate in such agreement. Notwithstanding the foregoing, the Board or the Committee may determine that eligible participants in the Plan may be awarded stock pursuant to a stock bonus agreement in consideration for past services actually rendered to the Company or for its benefit.

(b) No rights under a stock bonus or restricted stock purchase agreement shall be assignable by any participant under the Plan, either voluntarily or by operation of law, except where such assignment is required by law or expressly authorized by the terms of the applicable stock bonus or restricted stock purchase agreement.

(c) The purchase price of stock acquired pursuant to a stock purchase agreement shall be paid either: (i) in cash at the time of purchase; (ii) at the discretion of the Board or the Committee, according to a deferred payment or other arrangement with the person to whom the Common Stock is sold; or (iii) in any other form of legal consideration that may be acceptable to the Board or the Committee in their discretion; including but not limited to

payment of the purchase price pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or a check) by the Company before Common Stock is issued or the receipt of irrevocable instruction to pay the aggregate exercise price of the Company from the sales proceeds before Common Stock is issued. Notwithstanding the foregoing, the Board or the Committee to which administration of the Plan has been delegated may award Common Stock pursuant to a stock bonus agreement in consideration for past services actually rendered to the Company or for its benefit.

(d) Shares of Common Stock sold or awarded under the Plan may, but need not, be subject to a repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board or the Committee.

(e) In the event a person ceases to be an employee of or ceases to serve as a director or consultant to the Company or an Affiliate, the Company may repurchase or otherwise reacquire any or all of the shares of Common Stock held by that person which have not vested as of the date of termination under the terms of the stock bonus or restricted stock purchase agreement between the Company and such person.

8. COVENANTS OF THE COMPANY.

(a) During the terms of the Stock Awards granted under the Plan, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards up to the number of shares of Common Stock authorized under the Plan.

(b) The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to issue and sell shares of Common Stock under the Stock Awards granted under the Plan; provided, however, that this undertaking shall not require the Company to register under the Securities Act either the Plan, any Stock Award granted under the Plan or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained.

9. USE OF PROCEEDS FROM COMMON STOCK.

Proceeds from the sale of Common Stock pursuant to Stock Awards granted under the Plan shall constitute general funds of the Company.

10. MISCELLANEOUS.

(a) The Board or Committee shall have the power to accelerate the time during which a Stock Award may be exercised or the time during which a Stock Award or any part thereof will vest, notwithstanding the provisions in the Stock Award stating the time during which it may be exercised or the time during which it will vest. Each Discretionary Stock Option providing for vesting pursuant to paragraph 5(e) shall also provide that if the employee's employment or a director's or consultant's affiliation with the Company or an Affiliate of the Company is terminated by reason of death or disability (within the meaning of Title II or XVI of the Social Security Act or comparable statute applicable to an Affiliate and with such permanent and total disability certified by (i) the Social Security Administration, (ii) the comparable governmental authority applicable to an Affiliate, (iii) such other body having the relevant decision-making power applicable to an Affiliate or (iv) an independent medical advisor appointed by the Company, as applicable, prior to such termination), then the vesting schedule of Discretionary Stock Options granted to such employee, director or consultant or to the Trusts of such employee, director or consultant shall be accelerated by twelve months for each full year the employee has been employed by or the director or consultant has been affiliated with the Company and/or an Affiliate of the Company.

(b) Neither an optionee nor any person to whom an Option is transferred under the provisions of the Plan shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares subject to such Option unless and until such person has satisfied all requirements for exercise of the Option pursuant to its terms.

(c) Nothing in the Plan or any instrument executed or Stock Award granted pursuant thereto shall confer upon any eligible employee, consultant, director, optionee or holder of Stock Awards under the Plan any right to continue in the employ of the Company or any Affiliate or to continue acting as a consultant or director or shall affect the right of the Company or any Affiliate to terminate the employment or consulting relationship or directorship of any eligible employee, consultant, director, optionee or holder of Stock Awards under the Plan with or without cause. In the event that a holder of Stock Awards under the Plan is permitted or otherwise entitled to take a leave of absence, the Company shall have the unilateral right to (i) determine whether such leave of absence will be treated as a termination of employment or relationship as consultant or director for purposes hereof, and (ii) suspend or otherwise delay the time or times at which exercisability or vesting would otherwise occur with respect to any outstanding Stock Awards under the Plan.

11. ADJUSTMENTS UPON CHANGES IN COMMON STOCK.

If any change is made in the Common Stock subject to the Plan, or subject to any

Stock Award granted under the Plan (through merger, consolidation, reorganization, recapitalization, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company), the Plan and outstanding Stock Awards will be appropriately adjusted in the class(es) and maximum number of shares subject to the Plan, the maximum number of shares which may be granted to a participant in a calendar year, the class(es) and number of shares and price per share of stock subject to outstanding Stock Awards, and the number of shares of Common Stock to be granted as provided for in paragraphs 6(a) and 6(b). Such adjustment shall be made by the Board or the Committee, the determination of which shall be final, binding and conclusive. (The conversion of any convertible securities of the Company shall not be treated as a "transaction not involving the receipt of consideration".)

12. CHANGE OF CONTROL.

(a) Notwithstanding anything to the contrary in this Plan, in the event of a Change in Control (as hereinafter defined), then, to the extent permitted by applicable law: (i) the time during which Stock Awards become vested shall automatically be accelerated so that the unvested portions of all Stock Awards shall be vested prior to the Change in Control and (ii) the time during which the Options may be exercised shall automatically be accelerated to prior to the Change in Control. Upon and following the acceleration of the vesting and exercise periods, at the election of the holder of the Stock Award, the Stock Award may be: (x) exercised (with respect to Options) or, if the surviving or acquiring corporation agrees to assume the Stock Awards or substitute similar stock awards, (y) assumed; or (z) replaced with substitute stock awards. Options not exercised, substituted or assumed prior to or upon the Change in Control shall be terminated.

(b) For purposes of the Plan, a "Change of Control" shall be deemed to have occurred at any of the following times:

(i) upon the acquisition (other than from the Company) by any person, entity or "group," within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (excluding, for this purpose, the Company or its affiliates, or any employee benefit plan of the Company or its affiliates which acquires beneficial ownership of voting securities of the Company), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either the then outstanding shares of Common Stock or the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors; or

(ii) at the time individuals who, as of April 2, 1991, constitute the Board

(the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to April 2, 1991, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes of the Plan, considered as though such person were a member of the Incumbent Board; or

(iii) immediately prior to the consummation by the Company of a reorganization, merger, consolidation, (in each case, with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated company's then outstanding voting securities) or a liquidation or dissolution of the Company or of the sale of all or substantially all of the assets of the Company; or

(iv) the occurrence of any other event which the Incumbent Board in its sole discretion determines constitutes a Change of Control.

13. QUALIFIED DOMESTIC RELATIONS ORDERS

(a) Anything in the Plan to the contrary notwithstanding, rights under Stock Awards may be assigned to an Alternate Payee to the extent that a QDRO so provides. (The terms "Alternate Payee" and "QDRO" are defined in paragraph 13(c) below.) The assignment of a Stock Award to an Alternate Payee pursuant to a QDRO shall not be treated as having caused a new grant. The transfer of an Incentive Stock Option to an Alternate Payee may, however, cause it to fail to qualify as an Incentive Stock Option. If a Stock Award is assigned to an Alternate Payee, the Alternate Payee generally has the same rights as the grantee under the terms of the Plan; provided however, that (i) the Stock Award shall be subject to the same vesting terms and exercise period as if the Stock Award were still held by the grantee, (ii) an Alternate Payee may not transfer a Stock Award and (iii) an Alternate Payee is ineligible for Re-Load Options described at paragraph 5(j) or Director Re-Load Options described at paragraph 6(j).

(b) In the event of the Plan administrator's receipt of a domestic relations order or other notice of adverse claim by an Alternate Payee of a grantee of a Stock Award, transfer of the proceeds of the exercise of such Stock Award, whether in the form of cash, stock or other

property, may be suspended. Such proceeds shall thereafter be transferred pursuant to the terms of a QDRO or other agreement between the grantee and Alternate Payee. A grantee's ability to exercise a Stock Award may be barred if the Plan administrator receives a court order directing the Plan administrator not to permit exercise.

(c) The word "QDRO" as used in the Plan shall mean a court order (i) that creates or recognizes the right of the spouse, former spouse or child (an "Alternate Payee") of an individual who is granted a Stock Award to an interest in such Stock Award relating to marital property rights or support obligations and (ii) that the administrator of the Plan determines would be a "qualified domestic relations order," as that term is defined in section 414(p) of the Code and section 206(d) of the Employee Retirement Income Security Act ("ERISA"), but for the fact that the Plan is not a plan described in section 3(3) of ERISA.

14. AMENDMENT OF THE PLAN.

(a) The Board at any time, and from time to time, may amend the Plan. However, except as provided in Section 10 relating to adjustments upon changes in the Common Stock, no amendment shall be effective unless approved by the stockholders of the Company within twelve (12) months before or after the adoption of the amendment, where the amendment will:

(i) increase the number of shares reserved for Stock Awards under the Plan;

(ii) modify the requirements as to eligibility for participation in the Plan (to the extent such modification requires stockholder approval in order for the Plan to satisfy the requirements of Section 422(b) of the Code); or

(iii) modify the Plan in any other way if such modification requires stockholder approval in order for the Plan to satisfy the requirements of Section 422(b) of the Code.

(b) The Board may in its sole discretion submit any other amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 162(m) of the Code and the regulations promulgated thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation to certain executive officers.

(c) It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide optionees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to employee Incentive Stock Options and/or to bring the Plan and/or Options granted under it into compliance therewith.

(d) Rights and obligations under any Stock Award granted before amendment

of the Plan shall not be impaired by any amendment of the Plan, unless: (i) the Company requests the consent of the person to whom the Stock Award was granted; and (ii) such person consents in writing.

15. TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may suspend or terminate the Plan at any time. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated. No Incentive Stock Options may be granted under the Plan after February 22, 2009.

(b) Rights and obligations under any Stock Awards granted while the Plan is in effect shall not be impaired by suspension or termination of the Plan, except with the consent of the person to whom the Stock Award was granted.

16. EFFECTIVE DATE OF PLAN.

The Plan shall become effective as determined by the Board.

Exhibit 10.2

AMGEN INC.

AMENDED AND RESTATED 1997 SPECIAL NON-OFFICER EQUITY INCENTIVE PLAN

1. PURPOSE.

(a) The purpose of the 1997 Special Non-Officer Equity Incentive Plan (the "Plan") is to provide a means by which non-Officer employees of and consultants to Amgen Inc., a Delaware corporation (the "Company"), and employees of and consultants to the Company's Affiliates, as defined in paragraph 1(b), directly, or indirectly through Trusts, may be given an opportunity to benefit from increases in value of the stock of the Company through the granting of (i) stock options, (ii) stock bonuses, and (iii) rights to purchase restricted stock, all as defined below.

(b) The word "Affiliate" as used in the Plan means any parent corporation or subsidiary corporation of the Company, as those terms are defined in Sections 424(e) and (f), respectively, of the Internal Revenue Code of 1986, as amended (the "Code").

(c) The Company, by means of the Plan, seeks to retain the services of non-Officer employees of the Company and persons serving as consultants to the Company, to secure and retain the services of persons capable of filling such positions, and to provide incentives for such persons to exert maximum efforts for the success of the Company.

(d) The Company intends that the rights issued under the Plan ("Stock Awards") shall, in the discretion of the Board of Directors of the Company (the "Board") or any committee to which responsibility for administration of the Plan has been delegated pursuant to paragraph 2(c), be either (i) stock options granted pursuant to Section 5 hereof, which option shall not qualify as incentive stock options as that term is used in Section 422 of the Code ("Options") or (ii) stock bonuses or rights to purchase restricted stock granted pursuant to Section 6 hereof.

(e) The word "Trust" as used in the Plan shall mean a trust created for the benefit of the employee or consultant, his or her spouse, or members of their immediate family. The word optionee shall mean the person to whom the option is granted or the employee or consultant for whose benefit the option is granted to a Trust, as the context shall require.

2. ADMINISTRATION.

(a) The Plan shall be administered by the Board unless and until the Board delegates administration to a committee, as provided in paragraph 2(c).

(b) The Board shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(1) To determine from time to time which of the persons eligible under the Plan shall be granted Stock Awards; when and how Stock Awards shall be granted; whether a Stock Award will be an Option, a stock bonus, a right to purchase restricted stock, or a combination of the foregoing; the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to purchase or receive stock pursuant to a Stock Award; and the number of shares with respect to which Stock Awards shall be granted to each such person.

(2) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(3) To amend the Plan as provided in Section 13.

(4) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company.

(c) The Board may delegate administration of the Plan to a committee composed of not fewer than two (2) members of the Board (the "Committee") which members may be non-employee directors and outside directors. If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board, subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Notwithstanding anything else in this paragraph 2(c) to the contrary, at any time the Board or the Committee may delegate to a committee of one or more members of the Board the authority to grant or amend options to all employees or consultants or any portion or class thereof.

(d) Notwithstanding anything else in the Plan to the contrary, at any time the Board or the Committee may authorize by duly adopted resolution one or more Officers (as defined in paragraph 4(a) below) (each a "Delegated Officer") to take the actions described in paragraph 2(b)(1) of the Plan with respect to Options only, subject to, and within the limitations of, the express provisions of the Plan; provided, however, that a Delegated Officer shall not have the
power to (1) grant any Options to himself, any non-employee director, consultant, Trust, other Delegated Officer or Officer, (2) determine the time or times when a person shall be permitted to purchase stock pursuant to the exercise of an Option (i.e., vesting), (3) determine the exercise price of an Option, or (4) grant any Option to a parent corporation of the Company, as defined in Section 424(e) of the Code. The resolution authorizing a Delegated Officer to act as such shall specify the total number of shares of Common Stock that a Delegated Officer may grant with respect to Options. The exercise price (including any formula by which such price or prices may be determined) and the time or times when a person shall be permitted to purchase stock pursuant to the exercise of an Option shall, however, be set by the Board and not by a

Delegated Officer to the extent required by Delaware General Corporation Law Section 157 or any other applicable law.

(e) The term "non-employee director" shall mean a member of the Board who (i) is not currently an officer of the Company or a parent or subsidiary of the Company (as defined in Rule 16a-1(f) promulgated by the Securities and Exchange Commission under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) or an employee of the Company or a parent or subsidiary of the Company; (ii) does not receive compensation from the Company or a parent or subsidiary of the Company for services rendered in any capacity other than as a member of the Board (including a consultant) in an amount required to be disclosed to the Company's stockholders under Rule 404 of Regulation S-K promulgated by the Securities and Exchange Commission ("Rule 404"); (iii) does not possess an interest in any other transaction required to be disclosed under Rule 404; or (iv) is not engaged in a business relationship required to be disclosed under Rule 404, as all of these provisions are interpreted by the Securities and Exchange Commission under Rule 16b-3 promulgated under the Exchange Act.

(f) The term "outside director," as used in this Plan, shall mean an administrator of the Plan, whether a member of the Board or of any Committee to which responsibility for administration of the Plan has been delegated pursuant to paragraph 2(c), who is considered to be an "outside director" in accordance with the rules, regulations or interpretations of Section 162(m) of the Code.

3. SHARES SUBJECT TO THE PLAN.

(a) Subject to the provisions of Section 10 relating to adjustments upon changes in stock, the stock that may be issued pursuant to Stock Awards granted under the Plan shall not exceed in the aggregate Eighty-Nine Million (89,000,000) shares of the Company's $.0001 par value common stock (the "Common Stock"). If any Stock Award granted under the Plan shall for any reason expire or otherwise terminate without having been exercised in full, the Common Stock not purchased under such Stock Award shall again become available for the Plan. Shares repurchased by the Company pursuant to any repurchase rights reserved by the Company pursuant to the Plan shall not be available for subsequent issuance under the Plan.

(b) The Common Stock subject to the Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

4. ELIGIBILITY.

(a) Stock Awards may be granted to non-Officer employees of the Company, or employees of any Affiliate, or consultants to the Company or any Affiliate, or to Trusts of any such employee or consultant. Notwithstanding any other provisions in this Plan to the contrary, Officers of the Company shall not be eligible to receive Stock Awards. The term "Officer" shall include any natural person who is elected as a corporate officer of the Company by the Board.

(b) Stock Awards shall be limited to a maximum of 2,000,000 shares of Common Stock per person per calendar year.

5. TERMS OF OPTIONS.

An Option granted pursuant to this Section 5 shall be in such form and shall contain such terms and conditions as the Board or the Committee shall deem appropriate. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

(a) No Option shall be exercisable after the expiration of ten (10) years from the date it was granted.

(b) The exercise price of each Option shall be not less than one hundred percent (100%) of the fair market value of the Common Stock subject to the Option on the date the Option is granted.

(c) The purchase price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either: (i) in cash at the time the Option is exercised; or (ii) at the discretion of the Board or the Committee, either at the time of grant or exercise of the Option (A) by delivery to the Company of shares of Common Stock that have been held for the period required to avoid a charge to the Company's reported earnings and valued at the fair market value of the shares of Common Stock on the date of exercise, (B) according to a deferred payment or other arrangement with the person to whom the Option is granted or to whom the Option is transferred pursuant to paragraph 5(d), or (C) in any other form of legal consideration that may be acceptable to the Board or the Committee in their discretion, including but not limited to payment of the purchase price pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or a check) by the Company before Common Stock is issued or, prior to the issuance of Common Stock, receipt by the Company of evidence from the person authorized to sell the underlying stock that they have received irrevocable instructions from the option holder to pay to the Company the aggregate exercise price of the Option from the sale proceeds.

In the case of any deferred payment arrangement, interest shall be payable at least annually and shall be charged at not less than the minimum rate of interest necessary to avoid the treatment as interest, under any applicable provisions of the Code, of any amounts other than amounts stated to be interest under the deferred payment arrangement.

(d) An Option granted to a natural person shall be exercisable during the lifetime of such person only by such person, provided that such person during such person's lifetime may designate a Trust to be such person's beneficiary, and such beneficiary shall, after the death of the person to whom the Option was granted, have all the rights that such person had while living, including the right to exercise the Option. In the absence of such designation, after the death of the person to whom the Option is granted, the Option shall be exercisable by the person or persons to whom the optionee's rights under such Option pass by will or by the laws of descent and distribution.

(e) The total number of shares of Common Stock subject to an Option may, but need not, be allotted in periodic installments (which may, but need not, be equal). From time to time during each of such installment periods, the Option may become exercisable ("vest") with respect to some or all of the shares allotted to that period, and may be exercised with respect to some or all of the shares allotted to such period and/or any prior period as to which the Option was not fully exercised. During the remainder of the term of the Option (if its term extends beyond the end of the installment periods), the Option may be exercised from time to time with respect to any shares then remaining subject to the Option. The provisions of this paragraph 5(e) are subject to any Option provisions governing the minimum number of shares as to which an Option may be exercised.

(f) The Company may require any optionee, or any person to whom an Option is transferred under paragraph 5(d), as a condition of exercising any such Option: (i) to give written assurances satisfactory to the Company as to such person's knowledge and experience in financial and business matters and/or the employment of such person's purchaser representative who has such knowledge and experience in financial and business matters, and that such person is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Option; and (ii) to give written assurances satisfactory to the Company stating that such person is acquiring the Common Stock subject to the Option for such person's own account and not with any present intention of selling or otherwise distributing the Common Stock. These requirements, and any assurances given pursuant to such requirements, shall be inoperative if: (x) the issuance of the shares upon the exercise of the Option has been registered under a then currently effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"); or (y) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities law.

(g) An Option shall terminate three (3) months after termination of the optionee's employment or relationship as a consultant with the Company or an Affiliate, unless: (i) such termination is due to the optionee's permanent and total disability, within the meaning of Section 422(c)(6) of the Code and with such permanent and total disability being certified by the Social Security Administration prior to such termination, in which case the Option may, but need not, provide that it may be exercised at any time within one (1) year following such termination of employment or relationship as a consultant; (ii) the optionee dies while in the employ of or while serving as a consultant to the Company or an Affiliate, or within not more than three (3) months after termination of such employment or relationship as a consultant, in which case the Option may, but need not, provide that it may be exercised at any time within eighteen (18) months following the death of the optionee by the person or persons to whom the optionee's rights under such Option pass by will or by the laws of descent and distribution; or (iii) the Option by its term specifies either (A) that it shall terminate sooner than three (3) months after termination of the optionee's employment or relationship as a consultant with the Company or an Affiliate; or (B) that it may be exercised more than three (3) months after termination of the optionee's employment or relationship as a consultant with the Company or an Affiliate. Notwithstanding any other provision in this Plan to the contrary, (x) no portion of an Option shall be exercisable by any person to the extent that the Company's federal income tax deduction with respect to the exercise of such portion of the Option would be subject to disallowance pursuant to

Section 162(m) of the Code, or any successor thereto, and (y) subject to paragraph 5(a), if any portion of an Option is not exercisable solely because of the preceding clause (x) on the date on which such Option would otherwise terminate pursuant to the foregoing provisions of this paragraph 5(g), such Option shall not terminate until three (3) months after such Option thereafter ceases to be subject to the preceding clause (x). Subject to the preceding sentence, any portion of an Option which is not exercisable on the date on which an optionee's employment or relationship as a consultant with the Company or an Affiliate ceases shall terminate immediately on such date. This paragraph 5(g) shall not be construed to extend the term of any Option or to permit anyone to exercise the Option after expiration of its term, nor shall it be construed to increase the number of shares as to which any Option is exercisable from the amount exercisable on the date of termination of the optionee's employment or relationship as a consultant.

(h) The Option may, but need not, include a provision whereby the optionee may elect at any time during the term of the optionee's employment or relationship as a consultant with the Company or any Affiliate to exercise the Option as to any part or all of the shares subject to the Option prior to the stated vesting dates of the Option. Any shares so purchased from any unvested installment or Option may be subject to a repurchase right in favor of the Company or to any other restriction the Board or the Committee determines to be appropriate.

(i) To the extent provided by the terms of an Option, each optionee may satisfy any federal, state or local tax withholding obligation relating to the exercise of such Option by any of the following means or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold from the shares of the Common Stock otherwise issuable to the optionee as a result of the exercise of the Option a number of shares having a fair market value less than or equal to the amount of the Company's required minimum statutory withholding; or (iii) delivering to the Company owned and unencumbered shares of the Common Stock having a fair market value less than or equal to the amount of the Company's required minimum statutory withholding.

6. TERMS OF STOCK BONUSES AND PURCHASES OF RESTRICTED STOCK.

Each stock bonus or restricted stock purchase agreement shall be in such form and shall contain such terms and conditions as the Board or the Committee shall deem appropriate. The terms and conditions of stock bonus or restricted stock purchase agreements may change from time to time, and the terms and conditions of separate agreements need not be identical, but each stock bonus or restricted stock purchase agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions as appropriate:

(a) The purchase price under each stock purchase agreement shall be such amount as the Board or Committee shall determine and designate in such agreement. Notwithstanding the foregoing, the Board or the Committee may determine that eligible participants in the Plan may be awarded stock pursuant to a stock bonus agreement in consideration for past services actually rendered to the Company or for its benefit.

(b) No rights under a stock bonus or restricted stock purchase agreement shall be assignable by any participant under the Plan, either voluntarily or by operation of law, except where such assignment is required by law or expressly authorized by the terms of the applicable stock bonus or restricted stock purchase agreement.

(c) The purchase price of stock acquired pursuant to a stock purchase agreement shall be paid either: (i) in cash at the time of purchase; (ii) at the discretion of the Board or the Committee, according to a deferred payment or other arrangement with the person to whom the Common Stock is sold; or (iii) in any other form of legal consideration that may be acceptable to the Board or the Committee in their discretion; including but not limited to payment of the purchase price pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or a check) by the Company before Common Stock is issued or the receipt of irrevocable instruction to pay the aggregate exercise price of the Company from the sales proceeds before Common Stock is issued. Notwithstanding the foregoing, the Board or the Committee to which administration of the Plan has been delegated may award Common Stock pursuant to a stock bonus agreement in consideration for past services actually rendered to the Company or for its benefit.

(d) Shares of Common Stock sold or awarded under the Plan may, but need not, be subject to a repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board or the Committee.

(e) In the event a person ceases to be an employee of or ceases to serve as a consultant to the Company or an Affiliate, the Company may repurchase or otherwise reacquire any or all of the shares of Common Stock held by that person which have not vested as of the date of termination under the terms of the stock bonus or restricted stock purchase agreement between the Company and such person.

7. COVENANTS OF THE COMPANY.

(a) During the terms of the Stock Awards granted under the Plan, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards up to the number of shares of Common Stock authorized under the Plan.

(b) The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to issue and sell shares of Common Stock under the Stock Awards granted under the Plan; provided, however, that this undertaking shall not require the Company to register under the Securities Act either the Plan, any Stock Award granted under the Plan or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained.

8. USE OF PROCEEDS FROM COMMON STOCK.

Proceeds from the sale of Common Stock pursuant to Stock Awards granted under the Plan shall constitute general funds of the Company.

9. MISCELLANEOUS.

(a) The Board or Committee shall have the power to accelerate the time during which a Stock Award may be exercised or the time during which a Stock Award or any part thereof will vest, notwithstanding the provisions in the Stock Award stating the time during which it may be exercised or the time during which it will vest. Each Option providing for vesting pursuant to paragraph 5(e) shall also provide that if the employee's employment or a consultant's affiliation with the Company or an Affiliate of the Company is terminated by reason of death or disability (within the meaning of Title II or XVI of the Social Security Act or comparable statute applicable to an Affiliate and with such permanent and total disability certified by (i) the Social Security Administration, (ii) the comparable governmental authority applicable to an Affiliate, (iii) such other body having the relevant decision-making power applicable to an Affiliate or (iv) an independent medical advisor appointed by the Company, as applicable, prior to such termination), then the vesting schedule of Options granted to such employee or consultant or to the Trusts of such employee or consultant shall be accelerated as of the date of such termination by twelve months for each full year the employee has been employed by or the consultant has been affiliated with the Company and/or an Affiliate of the Company.

(b) Neither an optionee nor any person to whom an Option is transferred under the provisions of the Plan shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares subject to such Option unless and until such person has satisfied all requirements for exercise of the Option pursuant to its terms.

(c) Nothing in the Plan or any instrument executed or Stock Award granted pursuant thereto shall confer upon any eligible employee, consultant, optionee or holder of Stock Awards under the Plan any right to continue in the employ of the Company or any Affiliate or to continue acting as a consultant or shall affect the right of the Company or any Affiliate to terminate the employment or consulting relationship of any eligible employee, consultant, optionee or holder of Stock Awards under the Plan with or without cause, at any time and with or without notice. In the event that a holder of Stock Awards under the Plan is permitted or otherwise entitled to take a leave of absence, the Company shall have the unilateral right to (i) determine whether such leave of absence will be treated as a termination of employment or relationship as consultant for purposes hereof, and (ii) suspend or otherwise delay the time or times at which exercisability or vesting would otherwise occur with respect to any outstanding Stock Awards under the Plan.

10. ADJUSTMENTS UPON CERTAIN TRANSACTIONS.

(a) In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, reclassification, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or

substantially all of the assets of the Company, or exchange of Common Stock or other securities of the Company (other than pursuant to the conversion of convertible securities), issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, in the Board's or the Committee's sole discretion, affects the Common Stock such that an adjustment is determined by the Board or the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to Stock Awards, then the Committee or the Board shall, in such manner as it may deem equitable, may make the following adjustments to the Plan and with respect to any or all of the outstanding Stock Awards:

a. the number and kind of shares of Common Stock (or other securities or property) with respect to which Stock Awards may be granted under the Plan (including, but not limited to, adjustments of the limitations in paragraph 3(a) on the maximum number and kind of shares which may be issued under the Plan and in paragraph 4(b) on the maximum number of shares subject to Stock Awards which can be granted any person in a calendar year),

b. the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Stock Awards, including by providing, either by the terms of such Stock Awards or by action taken prior to the occurrence of such transaction or event, that upon such event, such Stock Award shall be assumed by a successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar Stock Awards covering the stock of a successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices, and

c. the grant or exercise price with respect to any Stock Award.

(b) In the event that the Board or Committee adjusts any or all of the outstanding Stock Awards by providing that such Stock Awards shall be assumed by a successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of a successor or survivor corporation, or a parent or subsidiary thereof, the Board or the Committee may, in its sole discretion, determine that the transfer of the optionee's or other holder's employment or consulting relationship to such successor or survivor corporation or a parent or subsidiary thereof shall not constitute a cessation of the optionee's or holder's employment or consulting relationship with the Company or an Affiliate for the purposes of paragraph 5(g).

(c) Any adjustments made by the Board or the Committee under paragraphs 10(a) and 10(b) shall be final, binding and conclusive on all persons.

11. CHANGE OF CONTROL.

(a) Notwithstanding anything to the contrary in this Plan, in the event of a Change in Control (as hereinafter defined), then, to the extent permitted by applicable law:(i) the time during which Stock Awards become vested shall automatically be accelerated so that

the unvested portions of all Stock Awards shall be vested prior to the Change in Control and (ii) the time during which the Options may be exercised shall automatically be accelerated to immediately prior to the Change in Control. Upon and following the acceleration of the vesting and exercise periods, at the election of the holder of the Stock Award, the Stock Award may be: (x) exercised (with respect to Options) or, if the surviving or acquiring corporation agrees to assume the Stock Awards or substitute similar stock awards, (y) assumed; or (z) replaced with substitute stock awards. Options not exercised, substituted or assumed prior to or upon the Change in Control shall be terminated.

(b) For purposes of the Plan, a "Change of Control" shall be deemed to have occurred at any of the following times:

(i) upon the acquisition (other than from the Company) by any person, entity or "group," within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (excluding, for this purpose, the Company or its affiliates, or any employee benefit plan of the Company or its affiliates which acquires beneficial ownership of voting securities of the Company), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either the then outstanding shares of Common Stock or the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors; or

(ii) at the time individuals who, as of December 9, 1997, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to December 9, 1997, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes of the Plan, considered as though such person were a member of the Incumbent Board; or

(iii) immediately prior to the consummation by the Company of a reorganization, merger, consolidation, (in each case, with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated company's then outstanding voting securities) or a liquidation or dissolution of the Company or of the sale of all or substantially all of the assets of the Company; or

(iv) the occurrence of any other event which the Incumbent Board in its sole discretion determines constitutes a Change of Control.

12. QUALIFIED DOMESTIC RELATIONS ORDERS.

(a) Anything in the Plan to the contrary notwithstanding, rights under Stock Awards may be assigned to an Alternate Payee to the extent that a QDRO so provides. (The terms "Alternate Payee" and "QDRO" are defined in paragraph 12(c) below.) The assignment of a Stock Award to an Alternate Payee pursuant to a QDRO shall not be treated as having caused a new grant. If a Stock Award is assigned to an Alternate Payee, the Alternate Payee generally has the same rights as the grantee under the terms of the Plan; provided however, that (i) the Stock Award shall be subject to the same vesting terms and exercise period as if the Stock Award were still held by the grantee, and (ii) an Alternate Payee may not transfer a Stock Award.

(b) In the event of the Plan administrator's receipt of a domestic relations order or other notice of adverse claim by an Alternate Payee of a grantee of a Stock Award, transfer of the proceeds of the exercise of such Stock Award, whether in the form of cash, stock or other property, may be suspended. Such proceeds shall thereafter be transferred pursuant to the terms of a QDRO or other agreement between the grantee and Alternate Payee. A grantee's ability to exercise a Stock Award may be barred if the Plan administrator receives a court order directing the Plan administrator not to permit exercise.

(c) The word "QDRO" as used in the Plan shall mean a court order (i) that creates or recognizes the right of the spouse, former spouse or child (an "Alternate Payee") of an individual who is granted a Stock Award to an interest in such Stock Award relating to marital property rights or support obligations and (ii) that the administrator of the Plan determines would be a "qualified domestic relations order," as that term is defined in section 414(p) of the Code and section 206(d) of the Employee Retirement Income Security Act ("ERISA"), but for the fact that the Plan is not a plan described in section 3(3) of ERISA.

13. AMENDMENT OF THE PLAN.

The Board at any time, and from time to time, may amend the Plan. Rights and obligations under any Stock Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan, unless: (i) the Company requests the consent of the person to whom the Stock Award was granted; and (ii) such person consents in writing.

14. TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on December 9, 2007. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) Rights and obligations under any Stock Awards granted while the Plan is in effect shall not be impaired by suspension or termination of the Plan, except with the consent of the person to whom the Stock Award was granted.

15. EFFECTIVE DATE OF PLAN.

The Plan shall become effective as determined by the Board.

Exhibit 10.60

December 14, 2001

Beth C. Seidenberg, M.D.
8 Wolf Lane
Basking Ridge, NJ 07920

Dear Beth:

Following our discussions over the last several weeks, and on behalf of the Amgen Executive Committee, I am pleased to offer you the position of Senior Vice President, Development, salary grade E37, reporting to me.

In this position, you will have responsibility for all aspects of Worldwide Clinical Development and Regulatory Affairs within the Amgen R&D organization. Reporting to you will be: Colin Broom, M.D., Vice President, Clinical Development, Europe; Alan Forsythe, Ph.D., Vice President, Corporate Biomedical Information; Jan Gheuens, M.D., Ph.D., Vice President, Clinical Development U.S.; and Ralph Smalling, M.S., Vice President, Regulatory Affairs. As Senior Vice President, Development, you will serve as a member of the Amgen Executive Committee, in which capacity you will have the opportunity to help chart the future course of this extraordinary company. Kevin Sharer has already expressed to you his enthusiasm for your participation in our most senior governance body.

Your base salary will be $41,667 per month. You will be entitled to a signing bonus of $325,000, the net amount of which (less federal and state tax deductions and other applicable withholdings) will be paid within 30 days of your start date. If you are not still employed as of the date the bonus is paid, the bonus will not be considered earned or vested and will not be prorated. In addition, you will be entitled to receive a retention bonus of $200,000, the net amount of which (less federal and state tax deductions and other applicable withholdings) will be paid within 30 days of the first anniversary of your start date. You must remain actively employed by Amgen through the first anniversary of your start date to receive this bonus.

In addition, you will be granted the option to purchase 100,000 shares of Common Stock at a price equal to 100% of the fair market value on your start date. All of these shares will vest at a rate of 25% per year for four years, beginning one year from the date of grant, and the options will expire seven years from the date of grant.

You will be eligible to participate in the Amgen Management Incentive Plan (MIP) with a target award of 65% of base pay. Performance against pre-established goals and Amgen's performance will determine your actual incentive each year. Subject to the terms of the MIP, Amgen will guarantee a prorated 65% of your 2002 earned salary (dependent on your start date in 2002) as a bonus for 2002; and for 2003, 65% of your base salary earnings or the actual results from the MIP, whichever is greater. You must be actively employed by Amgen on December 31, 2002 and on December 31, 2003 to receive the guaranteed payments for 2002 and 2003, respectively.

Amgen will award you 27,500 shares of restricted stock under Amgen's 1991 Equity Incentive Plan, in consideration of your payment of the $.0001 per share par value of the restricted shares (the "Par Value Price"), in the aggregate amount of $2.75. This grant will vest as follows, contingent upon your being actively employed with Amgen on each vesting date:

Beth C. Seidenberg, M.D.
December 14, 2001

The second anniversary of your start date	5,000 shares
The third anniversary of your start date	7,500 shares
The fourth anniversary of your start date	7,500 shares
The fifth anniversary of your start date	7,500 shares

Upon the termination of your active employment with Amgen, any unvested shares of restricted stock may be repurchased by Amgen at their Par Value Price, except that upon termination of your employment due to your "Permanent and Total Disability," as defined below, or your death, then the vesting of the unvested shares of restricted stock will be accelerated so that all the restricted stock will be fully vested as of the date of termination. For the purposes of this provision only, you shall have incurred a "Permanent and Total Disability" when such a disability has been certified by the Social Security Administration prior to the date of termination. Amgen will hold the certificates representing any unvested shares of restricted stock until the shares vest, at which time Amgen will issue you a certificate representing the vested shares.

In addition, you are eligible to participate in the Amgen Deferred Compensation Plan (the "DCP"). The DCP is a non-qualified executive benefit plan that enables Management Incentive Plan ("MIP") participants to voluntarily defer, on a pre-tax basis, a portion of their annual pay, including MIP payments. Upon receipt of your acceptance of employment at Amgen, you will be contacted directly by a member of the Amgen Executive Compensation Group to provide you with further details of the DCP and, if you wish, to arrange for your enrollment in the plan. For this enrollment, which must be completed prior to your date of employment at Amgen, you may elect to defer up to 50% of your 2002 base salary and up to 100% of your 2002 MIP bonus to be paid in 2003.

If, within the first three years of your employment with Amgen, either: (i) Amgen terminates your employment without Cause, as defined below, or (ii) you resign your employment due to a reduction of your duties or your base salary or annual target incentive opportunity under the MIP, then you will be entitled to three years of base salary and target incentive, paid monthly, and health care coverage unless coverage is obtained from another employer, but only if you sign a general release form furnished to you by Amgen. If you intend to resign your employment for reduction of duties or compensation, you must notify the Company in writing. If Amgen fails to cure or remedy your reason for resignation within thirty (30) days of its receipt of your notification and you still choose to resign, you must do so within fifteen (15) days of Amgen's failure to cure or remedy your reason. If you are also entitled to receive severance benefits under the Amgen Inc. Change of Control Severance Plan (the "COC Plan") on account of a termination covered by this provision, you will be paid the greater of the amount provided above or provided in the COC Plan, but not both amounts.

Solely for the purpose of this provision, "Cause" means (i) your conviction of a felony, (ii) the engaging by you in conduct that constitutes willful gross neglect or willful gross misconduct in carrying out your duties to Amgen, resulting, in either case, in material economic harm to Amgen, unless you believed in good faith that such conduct was in, or not contrary to, the best interests of Amgen, (iii) your material breach of any of the terms of this letter agreement or the Proprietary Information and Inventions Agreement or (iv) your failure to follow any lawful directive given by me with respect to your employment. For purposes hereof, no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith.

By signing this letter, you understand and agree that your employment with Amgen is at-will. Therefore, your employment can terminate, with or without cause, and with or without notice, at any time, at your option or Amgen's option, and Amgen can terminate or change all other terms and conditions of your

employment, with or without cause, and with or without notice, at any time. This at-will relationship will remain in effect throughout your employment with Amgen Inc. or any of its subsidiaries or affiliates. This letter constitutes the entire agreement, arrangement and understanding between you and Amgen on the nature and terms of your employment with Amgen. This letter supersedes any prior or contemporaneous agreement, arrangement or understanding on this subject matter. By executing this letter as provided below, you expressly acknowledge the termination of any such prior agreement, arrangement or understanding. Also, by your execution of this letter, you affirm that no one has made any written or verbal statement that contradicts the provisions of this letter. The at-will nature of your employment, as set forth in this paragraph, can be modified only by a written agreement signed by both Amgen's Vice President of Human Resources and you which expressly alters it. This at-will relationship may not be modified by any oral or implied agreement or by any Company policies, practices or patterns of conduct.

You will also have the opportunity to participate in our comprehensive benefits program. Amgen's excellent health care plan currently includes medical, dental, and vision coverage for you and your eligible dependents. Amgen currently pays the major expense for these programs while staff members share through payroll deductions. Please be advised that in order for you and your dependents to be eligible for Amgen's medical coverage you must:

1. Report to work at Amgen or another location to which you are required to travel and perform the regular duties of your employment.
2. Contact the Amgen Benefit Center at Fidelity, 1-877-999-7779, to enroll within 31 days of your hire date.
3. Meet all other eligibility requirements under the plan.

Amgen's Retirement & Savings 401(k) Plan provides an opportunity for you to save up to 15% of your pay on a tax-deferred basis. Amgen will also contribute to your 401(k) account to help you save for your future financial goals. These benefits, services and programs are summarized in the enclosed brochure called "A Guide to Your Pay and Benefits."

This offer is contingent upon the completion of the verification of the information listed on your application for employment at Amgen.

Enclosed and included as part of this offer (Attachment 1) is information regarding Amgen's Proprietary Information and Inventions Agreement, the Immigration Reform & Control Act, and a packet of materials entitled "Arbitration of Disputes - Amgen Inc." which includes a Mutual Agreement to Arbitrate Claims. This offer is contingent upon your completing the items described in Attachment 1.

Also enclosed and included, as part of this offer (Attachment 2), is information about the main points of the relocation assistance that Amgen will provide to you to relocate to the "local area." The brochures included describe each component in more detail.

Upon acceptance of this offer, please fill out the attached "Moving Forward...With Amgen" acceptance form and fax it to the Relocation Department at (805) 376-9862 to initiate your relocation benefits. Gail Thomas will contact you as soon as possible to walk you through the process.

Beth, all of those with whom you have met here are extremely keen to recruit you to Amgen. We are enthusiastic about the contribution you can make, and we believe that Amgen can provide you with extraordinary opportunities for personal achievement and growth. I look forward to your favorable reply

Beth C. Seidenberg, M.D.
December 14, 2001

by December 21, 2001. If you accept our offer, please sign and date the copy of the letter and return it in the enclosed envelope to our Staffing Department along with the completed and signed Proprietary Information and Inventions Agreement and the Mutual Agreement to Arbitrate Claims. Please retain the original offer letter for your records. If you have any questions regarding this offer, please contact John Hillins at (805) 447-7456.

Sincerely,

/s/ Roger M. Perlmutter

Roger M. Perlmutter, M.D., Ph.D.
Executive Vice President
Research & Development

RMP:JH/lf
Enclosures

/s/ Dr. Beth C. Seidenberg 12/21/01
- ----------
Signature of Acceptance Date

01/14/02
- ----------
Anticipated Start Date

(Please select a Monday start date if possible in order to coincide with our New Hire Orientation Schedule)

Beth C. Seidenberg, M.D.
December 14, 2001

ATTACHMENT 1

In order to accept our offer you will be required to:

A) Complete, date and sign the Amgen Proprietary Information and Inventions Agreement and return it with your signed offer letter.

B) Date and sign the enclosed Mutual Agreement to Arbitrate Claims and return it with your signed offer letter.

C) You will be required to provide Amgen with proof of your identity and eligibility for employment per requirements of the Immigration Reform and Control Act of 1986 within 3 (three) days of hire. Information pertaining to this Act and required proof are enclosed.

Beth C. Seidenberg, M.D.
December 14, 2001

RELOCATION ASSISTANCE COVERAGE

All relocation expense coverage to be provided as a part of your Amgen employment offer is outlined in this attachment. This relocation expense coverage is designed to offset most of the cost of your relocation. However, as a new staff member, it is expected that you will make every effort to reduce or eliminate relocation expense wherever possible.

Please Note: Upon acceptance of this offer, please fill out the attached "Moving Forward...With Amgen" acceptance form and fax it to the Relocation Department at (805) 376-9862 to initiate your relocation benefits. Gail Thomas will contact you as soon as possible to walk you through the process.

Marketing Assistance and Home Sale Program

A Marketing Assistance Program is available to assist in the sale of your current primary residence. Also, through the Home Sale Program, we will offer you the opportunity for a third party purchase of your current primary residence if you are unable to sell your home within 90 days. Under this program, an interest-free equity bridge loan is available to assist in the purchase of your new residence. Amgen will pay the seller's normal, non-recurring closing costs associated with the sale of your home (i.e., real estate commission, title expense, etc.). For additional information, and to initiate the program contact the Relocation Coordinator. You must contact the Relocation Coordinator before taking any action to sell your home.

Additionally, if you have your home listed, are actively participating in the Home Marketing Assistance program and are closing escrow on the purchase of a home in the new "local area" prior to the sale of your current residence, Amgen will reimburse up to 3 months of your current mortgage payment and other reasonable related costs (i.e., utilities, prorated taxes, insurance, etc.).

Homes excluded from eligibility may include but are not limited to: cooperative apartments, mobile homes, homes with more than two units, vacation or second homes, homes with excessive acreage, investment properties, homes with unmarketable titles, homes with E.I.F.S. (synthetic stucco) siding, homes with a history of water related or structural problems, or homes where environmental problems (i.e. underground fuel storage tanks, radon, asbestos) exists.

Temporary Living Expenses

Temporary living lodging expense will be covered for a period of up to 180 days in Amgen leased lodging units. If you need to stay in the temporary lodging unit more than 180 days, you will be responsible for the cost of the unit at the daily rate negotiated by Amgen. Since Amgen has contracted for these temporary lodging accommodations, there is no need to make arrangements on your own. The Relocation Coordinator will assist in making these lodging arrangements for you.

One-Way Travel Expenses

Amgen will reimburse one-way travel expenses for you and your household members to take residence in the "local area." If Amgen has arranged for your car to be moved by a moving company, Amgen will also pay for rental of one automobile for up to 14 days. You should contact Dollie or Marta at 805-447-6110 in Amgen's Corporate Travel Dept. to make your travel reservations.

Moving Household Goods

Amgen will arrange for packing, moving, and unpacking of normal household possessions, including up to two automobiles. Amgen will also pay for up to 180 days storage of household goods, if necessary.

Lump Sum Allowance

Amgen will provide you with a $3,000.00 lump sum to be used at your discretion, to cover incidental expenses associated with your move, which are not covered in other sections of relocation coverage. Receipts or other accounting for the use of this allowance are not required.

Rental Assistance - Security Deposit New Residence

Amgen will reimburse you for the deposit on a rental property in the new "local area" in an amount not to exceed the equivalent of one month's rent.

Non-Recurring Home Purchase Closing Costs

Amgen will reimburse loan origination fees of up to 1% of the mortgage amount and loan discount points according to the sliding scale below, which is governed by current mortgage market conditions.

The sliding scale for loan discount points is based upon the prevailing 30/year 60/day Yield as set by the Federal National Mortgage Association (FNMA), and as published in the "Money Rates" section Wall Street Journal on the day you lock-in your mortgage interest rate. The following sliding scale applies:

- If FNMA index is 8% or less, 0 discount points will be reimbursed;
- If FNMA index is at least 8.01% but not more than 8.49%, 0.5 points will be reimbursed;
- If FNMA index is at least 8.5% but not more than 8.99%, 1.0 point will be reimbursed;
- If FNMA index is at least 9% but not more than 9.99%, 1.5 points will be reimbursed; and
- If FNMA index is 10% or higher, 2 points will be reimbursed.

(the 1% loan origination fee will be reimbursed regardless of FNMA rate; scale applies only to loan discount points)

In addition, you will be reimbursed for other Lender's fees, including but not limited to fees for the appraisal, credit report, tax service fees, processing fees, flood zone determination fees, underwriting fees, warehouse fees, rate lock-in fees, broker fees, lender document preparation fees, commitment fees, lender courier fees, escrow waiver fees, and loan review fees, in an amount not to exceed Six Hundred Fifty and No/Dollars ($650.00). You will also be reimbursed for the customary non-recurring buyer's closing costs for Escrow and/or Title fees.

Adjustable Rate Secured Loan

To aid in the purchase of a home in the "local area", Amgen is prepared to offer you a five-year, adjustable rate loan, which will be secured as a second mortgage on your new primary residence.

However, you will be expected to provide a minimum down payment investment of at least 5% of the purchase price from your own funds or other sources which are not secured by this home.

The amount of the loan can be up to one-third of the documented purchase price of a home not to exceed $1,000,000. The loan will be funded prior to close of escrow at a date to be determined solely by Amgen. This loan will not be funded prior to you beginning your employment at Amgen.

The 2001 rate on the loan is 5.0%. The rate is adjusted January 1st of each year based on the average "Introduction Rates" on adjustable loans as offered by California banks and savings & loans. The most the rate will change each year is 1% with a cap of 3% over the life of the initial loan.

You will be required to make semi-monthly interest-only payments by payroll deduction, with the principal amount due on or before the end of the five-year period. At the end of this period you may discuss with Amgen an option to convert to a fully amortized loan payable over an additional five-year period with terms agreed upon at that time.

Tax Gross-up Assistance
- ----------
Amgen will provide for tax assistance (gross-up) for the non-deductible portion of those reimbursed relocation expenses, which are considered as ordinary income for state or federal income tax purposes.

Local Area
- ----------
References to the "local area" generally means the new work site is a minimum of 50 miles from the staff member's current residence, and the move to the new residence reduces commuting time by at least 50%.

Duration of Relocation
- ----------
This relocation expense coverage is intended to assist in getting you established in your new residence in the "local area" as quickly as possible. Therefore, it is required that all relocation assistance provided for in this attachment and all expense reimbursements for this assistance be completed within one year from your date of hire in your new location.

Exhibit 10.61

December 20, 2001

Beth C. Seidenberg, M.D.
8 Wolf Lane
Basking Ridge, NJ 07920

Dear Beth:

As a follow up, I would like to confirm the amendment that Amgen has made to our original offer letter dated December 14, 2001. The amendment is as follows:

Concurrent with Amgen's annual periodic stock options granted annually, you will receive a grant of 100,000 stock options. This grant is normally scheduled for the first business day in July. This grant, of course, required the approval of Amgen's Compensation Committee and is currently scheduled for Monday, July 1, 2002.

Vesting for all of your restricted stock will accelerate if there is a change-in-control of Amgen.

If you are terminated without cause, restrictions on a pro rata number of shares will be removed based upon your number of full months of active employment divided by the total months of each restriction period.

Unvested options are generally terminated as of employment termination.

Your guaranteed 2002 MIP payment of $325k (minimum) will not be reduced if your hire date is in January 2002. However, you can receive an award greater than that based upon your and Amgen's performance. Actual base salary earnings for the year are one of the variables in calculating your performance based 2002 award under our shareholder approved management incentive plan. Therefore, the calculated performance based award will be prorated.

All other aspects of your original offer letter remain the same. If you accept our offer, please sign and date the copy of this letter and return in the enclosed envelope to our Staffing Department. Should you have any questions or concerns please do not hesitate to contact John Hillins at (805) 447-7456.

Sincerely,

/s/ Brian McNamee

Brian McNamee
Sr. Vice President
Human Resources

BM:JH/lf

/s/ Dr. Beth Seidenberg 12/21/01
- ----------
Accepted Date
(Please select a Monday start date in order coincide with our New Hire Orientation schedule)

Exhibit 10.62

SECOND AMENDMENT TO THE
AMGEN SUPPLEMENTAL RETIREMENT PLAN
AS AMENDED AND RESTATED EFFECTIVE NOVEMBER 1, 1999

The Amgen Supplemental Retirement Plan as amended and restated effective November 1, 1999 (the "Plan") is hereby amended, effective January 1, 2002, as follows:

1. Article I shall be amended and restated in its entirety as follows:

The Amgen Supplemental Retirement Plan (the "Plan") was established by Amgne Inc. (the "Company") effective as of January 1, 1993, was amended and restated effective January 1, 1998, and was amended and restated again effective November 1, 1999. The purpose of this Plan is to provide benefits to employees of the Company and certain of its affiliates and subsidiaries whose Matching Contributions and Nonelective Contributions are limited under the Amgen Inc. Retirement and Savings Plan (the "Retirement Plan"), whether because of statutory limitations or because of employee deferrals to the Amgen Nonqualified Deferred Compensation Plan (the "NQDC"). The Company intends that the Plan will aid in retaining and attracting employees of exceptional ability by providing them with these benefits.

2. Section 2.7 shall be amended and restated in its entirety as follows:

2.7 Compensation has the same meaning as such term has under the Retirement Plan, except that, for purposes of this Plan, Compensation is not limited by the Salary Cap, includes amounts that are deferred into the NQDC, but does not include any foreign assignment differential, that is, an amount paid to you to compensate for costs unique to an overseas assignment.

3. A new Section 2.14 shall be added and all Sections under Article 2 are hereby renumbered accordingly, and any references to any Sections under Article 2 in the Plan are hereby amended to refer to the Sections as renumbered hereunder:

2.14 NQDC means the Amgen Nonqualified Deferred Compensation Plan.

4. Section 3.1 shall be amended and restated in its entirety as follows:

3.1 Eligibility. You are eligible to elect to receive credits in your Account as provided in Section 4.2 of the Plan during the time you are a Regular Full-Time Employee and either your Compensation for the relevant calendar year is in excess of the Salary Cap, or you elect to make a deferral into the NQDC.

5. Section 4.2 shall be amended and restated in its entirety as follows:

4.2 Credits. The Company will credit your Account with your share of Matching Credits and Core Credits.

(a) Core Credits. The amount of Core Credits to be credited to your account will be determined by calculating first what you would have received as a nonelective contribution under the Retirement Plan as if the Salary Cap were not in effect, and as if you had not deferred any amounts under the NQDC, less the amount of nonelective contributions that were actually contributed on your behalf to the Retirement Plan.

(b) Matching Credits. The amount of Matching Credits to be credited to your account will be the amount of matching contributions that would have been made on your behalf under the Retirement Plan had the Salary Cap not been in effect, and had you not deferred any amounts under the NQDC, based on your Deferral Commitment in effect at the time your Compensation reaches the Salary Cap for the year (provided that you can demonstrate to the Company that you have set aside for investment an amount equal to the amount you were prevented from deferring because of the Salary Cap), less the amount of matching contributions that were actually contributed on your behalf to the Retirement Plan.

To record this Second Amendment to the Plan as set forth herein, the Company has caused its authorized officer to execute this document this 1st day of February, 2002.

AMGEN INC.

By: /s/ Brian M. McNamee

Title: Senior Vice President, Human Resources

Exhibit 10.63

THIRD AMENDMENT TO THE
AMGEN RETIREMENT AND SAVINGS PLAN
AS AMENDED AND RESTATED EFFECTIVE OCTOBER 23, 2000

The Amgen Retirement and Savings Plan as Amended and Restated Effective October 23, 2000, (the "Plan") is hereby amended as follows:

1. Section 2.20 shall be amended and restated in its entirety to read as follows:

"Employee" means an individual who (a) on the Payroll of a member of the Affiliated Group or (b) is a "leased employee" with respect to a member of the Affiliated Group. "Employee" shall not include a nonresident alien who receives no earned income (within the meaning of Section 911(b) of the Code) from a member of the Affiliated Group that constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code).

The term "leased employee" means any person (other than an employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with section 414(n)(6) of the Internal Revenue Code) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient. Contributions or benefits provided a leased employee by the leasing organization which are attributable to services performed for the recipient employer shall be treated as provided by the recipient employer. A leased employee shall not be considered an employee of the recipient if: (i) such employee is covered by a money purchase pension plan providing: (1) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in section 415(c)(3) of the Code, but including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under section 125, section 402(e)(3), section 402(h)(1)(B) or section 403(b) of the Code, (2) immediate participation, and (3) full and immediate vesting; and (ii) leased employees do not constitute more than 20 percent of the recipient's nonhighly compensated work force.

2. Section 5.2 shall be amended and restated in its entirety to read as follows:

Nonelective Contributions. Subject to the limitations Section 5.6 and Articles 13-16, each Participating Company may, in its discretion, make Nonelective Contributions in an amount determined by the Participating Company. Such Nonelective Contributions shall be allocated to each Participant in the ratio that such Participant's compensation bears to the compensation of all Participants. The Company, in its sole discretion, may determine that the allocation of part or all of the Nonelective Contribution for a Plan Year shall be limited to the Nonelective Contribution Accounts of Participants who remain Eligible Employees on the last day of the relevant Plan Year. The Company may limit the

amount of Compensation that is taken into account for purposes of allocating Nonelective Contributions, and it may determine that allocations of Nonelective Contributions shall be limited to a specified group of Eligible Employees; provided, however, that the Nonelective Contribution formula(s) shall not discriminate in favor of Highly Compensated Employees. For purposes of allocating such Nonelective Contributions for any Plan Year or other allocation period based on an Employee's Compensation, only Compensation attributable to periods in such Plan Year or other allocation period during which such Employee was an Eligible Employee shall be taken into account. Nonelective Contributions shall be paid to the Trustee as soon as reasonably practicable following the close of the pay period to which it relates and shall be allocated to the Accounts of Participants as provided in Section 6.6.

Nonelective Contributions may include a core contribution equal to a specified percentage of Compensation to be made by the Company for each payroll period during the Plan Year.

3. Section 13.3 shall be amended and restated in its entirety to read as follows:

Allocation of Excess Contributions to Highly Compensated Employees. Any Excess Contributions for a Plan Year shall be allocated to Highly Compensated Employees by use of a leveling process, whereby the amount of Aggregate 401(k) Contributions of the Highly Compensated Employee with the highest amount of Aggregate 401(k) Contributions is reduced to the extent required to (a) eliminate all Excess Contributions or (b) cause such Highly Compensated Employee's amount of Aggregate 401(k) Contributions to equal the amount of Aggregate 401(k) Contributions of the Highly Compensated Employee with the next highest amount of Aggregate 401(k) Contributions. The leveling process shall be repeated until all Excess Contributions for the Plan Year are allocated to Highly Compensated Employees. Notwithstanding the foregoing, for Plan Years beginning after December 31, 1996, any determination of Excess Contributions of a Highly Compensated Employee shall be made on the basis of the Highly Compensated Employee's actual deferral ratio in accordance with Code Section 401(k)(8)(C) and the Regulations promulgated thereunder.

4. Section 13.4 shall be amended and restated in its entirety to read as follows:

Distribution of Excess Contributions. Excess Contributions allocated to Highly Compensated Employees for the Plan Year pursuant to Section 13.3, together with any income or loss allocable to such Excess Contributions, shall be distributed to such Highly Compensated Employees not later than two-and-one-half months following the close of such Plan Year, if possible, and in any event no later than 12 months following the close of such Plan Year. Any Participant Elected Contributions distributed pursuant to this Section 13.4 shall not be included in the Participant Elected Contributions to which a Matching Contribution under Section 5.1 or a Qualified Matching Contribution under Section 5.4 of the Plan attaches. Notwithstanding the foregoing, for Plan Years beginning after December 31, 1996, any distribution of Excess Contributions for a Plan Year to Highly Compensated Eligible Employees shall be made on the basis of the dollar

amount of Participant Elected Contributions made by, or on behalf of, each such Highly Compensated Eligible Employee in accordance with Code Section 401(k)(8)(C).

5. Section 13.7(f) shall be amended and restated in its entirety to read as follows:

Income (and loss) allocable to Excess Contributions for the Plan Year shall be determined pursuant to the provisions for allocating income (and loss) to a Participant's Accounts under Section 6.10 of the Plan. Notwithstanding the foregoing, such income and loss shall be calculated including the period between the end of the Plan Year and the date on which the Excess Contributions are distributed. The income and loss allocable to the Excess Contributions shall bear the same proportion to the total income and loss allocable to a Participant's Account as the Excess Contributions bear to the Participant's Account.

6. Section 13.9(e)(5) shall be amended and restated in its entirety to read as follows:

Any of the definitions of Section 414(s) Compensation set forth in Subsections (1), (2), (3) and (4) above, modified to include the following: (a) any elective contributions made by a member of the Affiliated Group on behalf of the Employee that are not includable in gross income under Section 125, 132(f)(4), 402(e)(3), 402(h) or 403(b) of the Code; (b) compensation deferred under an eligible deferred compensation plan within the meaning of Section 457(b) of the Code; and (c) employee contributions described in Section 414(h)(2) of the Code that are picked up by the employing unit and thus are treated as employer contributions; or

7. Section 14.2 shall be amended and restated in its entirety to read as follows:

Allocation of Excess Aggregate Contributions to Highly Compensated Employees. Any Excess Aggregate Contributions for a Plan Year shall be allocated to Highly Compensated Employees by use of a leveling process, whereby the Aggregate 401(m) Contributions of the Highly Compensated Employee with the highest amount of Aggregate 401(m) Contributions is reduced to the extent required to (a) eliminate all Excess Aggregate Contributions or (b) cause the amount of such Highly Compensated Employee's Aggregate 401(m) Contributions to equal the amount of Aggregate 401(m) Contributions of the Highly Compensated Employee with the next-highest amount of Aggregate 401(m) Contributions. The leveling process shall be repeated until all Excess Aggregate Contributions for the Plan Year are allocated to Highly Compensated Employees. Notwithstanding the foregoing, for Plan Years beginning after December 31, 1996, any determination of Excess Aggregate Contributions of a Highly Compensated Employee shall be made on the basis of the Highly Compensated Employee's actual deferral ratio in accordance with Code Section 401(k)(8)(C) and the Regulations promulgated thereunder.

8. Section 14.3 shall be amended and restated in its entirety to read as follows:

Distribution of Excess Aggregate Contributions. Excess Aggregate
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Contributions allocated to Highly Compensated Employees for the Plan Year pursuant to Section 14.2, together with any income or loss allocable to such Excess Aggregate Contributions (calculated to include income and loss for the period between the end of the Plan Year and the date on which the Excess Aggregate Contributions are distributed), shall be distributed to such Highly Compensated Employees not later than two-and-one-half months following the close of such Plan Year, if possible, and in any event no later than 12 months following the close of such Plan Year, but only to the extent the Highly Compensated Employee has a nonforfeitable interest in the Excess Aggregate contributions. Excess Aggregate Contributions (for Participants who are Highly Compensated Employees), to the extent not vested, may be forfeited and allocated, after all other Forfeitures under the Plan, to other Participants (but in no event to any Highly Compensated Employee) in the proportion that such Participant's Participant Elected Contributions, if any, for that Plan Year bears to the total Participant Elected Contributions of all such Participants for the Plan Year. Any such amounts shall be included in the calculation of the Actual Contribution Percentage and in the calculation of the limits set forth in Article 16. The income and loss allocable to the Excess Aggregate Contributions shall bear the same proportion to the total income and loss allocable to a Participant's Accounts as the Excess Aggregate Contributions bear to the Participant's Accounts. Notwithstanding the foregoing, for Plan Years beginning after December 31, 1996, any distribution of Excess Aggregate Contributions for a Plan Year to Highly Compensated Eligible Employees shall be made on the basis of the dollar amount of Participant Elected Contributions made by, or on behalf of, each such Highly Compensated Eligible Employee in accordance with Code Section 401(k)(8)(C).

9. Section 16.2 shall be deleted in its entirety.

10. Section 16.4 shall be amended and restated in its entirety to read as follow:

Excess Company Contributions. If the amount of the Company Contributions
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allocated to a Participant for any Plan Year must be reduced to meet the limitation described in Section 16.1, then the amount of the reduction shall be applied to reduce the total amount that the Participating Companies otherwise would contribute for such year pursuant to Article 5 of the Plan. If the amount that the Participating Companies may contribute is thereby reduced to zero and if there are Company Contributions that still cannot be allocated to any Participant because of the limitation described in Section 16.1, then the excess shall be transferred to a suspense account. Any gains, income or losses attributable to the suspense account shall be allocated to such account. All amounts credited to the suspense account shall be applied to reduce the total amount that the Participating Companies otherwise would contribute to the Plan for the next Plan Year, and for succeeding Plan Years if necessary. Such amounts shall be allocated among Participants pursuant to Article 5 of the Plan until the suspense account is exhausted

(subject to this Article). No Participant Elected Contributions or Company Contributions shall be made as long as any amount remains in the suspense account. However, this method of addressing Excess Company Contributions will only be permitted in the event the excess Annual Additions result from the allocation of forfeitures or result from a reasonable error in determining the amount of elective deferrals under section 401(g)(3).

To record this Third Amendment to the Plan as set forth herein, the Company has caused its authorized officer to execute this document this 1st day of February, 2002.

AMGEN INC.

By: /s/ Brian M. McNamee

Title: Senior Vice President, Human Resources

Exhibit 10.64

AMGEN INC. EXECUTIVE NONQUALIFIED RETIREMENT PLAN

WHEREAS, Amgen Inc., a Delaware corporation (the "Company") desires to establish the Amgen Inc. Executive Nonqualified Retirement Plan to provide supplemental retirement income benefits for a select group of management and highly compensated employees through Company contributions, effective as of January 1, 2001;

NOW, THEREFORE, effective as of January 1, 2001, the Plan is hereby adopted to read as follows:

ARTICLE I.

TITLE AND DEFINITIONS

1.1 Title.

This Plan shall be known as the Amgen Inc. Executive Nonqualified Retirement Plan.

1.2 Definitions.

Whenever the following words and phrases are used in this Plan, with the first letter capitalized, they shall have the meanings specified below.

(a) "Beneficiary" or "Beneficiaries" shall mean the person or persons, including a trustee, personal representative or other fiduciary, last designated in writing by a Participant in accordance with the procedures established by the Committee to receive the benefits specified hereunder in the event of the Participant's death. However, no designation of a Beneficiary other than the Participant's spouse shall be valid unless consented in writing by such spouse. No Beneficiary designation shall become effective until it is filed with the Committee. Any designation shall be revocable at any time through a written instrument filed by the Participant with the Committee with or without the consent of the previous Beneficiary, (unless such previous Beneficiary was the Participant's spouse). If there is no Beneficiary designation in effect, or the designated Beneficiary does not survive the Participant, then the Participant's spouse shall be the Beneficiary. If there is no surviving spouse, the duly appointed and currently acting personal representative of the Participant's estate (which shall include either the Participant's probate estate or living trust) shall be the Beneficiary. In any case where there is no such personal representative of the Participant's estate duly appointed and acting in that capacity within 90 days after the Participant's death (or such extended period as the Committee determines is reasonably necessary to allow such personal representative to be appointed, but not to exceed 180 days after the Participant's death), then Beneficiary shall mean the person or persons who can verify by affidavit or court order to the satisfaction of the Committee that they are legally entitled to receive the benefits specified hereunder. In the event any amount is payable under the Plan to a minor, payment shall not be made to the minor, but instead be paid (a) to that person's living parent(s) to act as custodian, (b) if that person's parents are then

divorced, and one parent is the sole custodial parent, to such custodial parent, or (c) if no parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within 60 days after the date the amount becomes payable, payment shall be deposited with the court having jurisdiction over the estate of the minor. Payment by the Company pursuant to any unrevoked Beneficiary designation, or to the Participant's estate if no such designation exists, of all benefits owed hereunder shall terminate any and all liability of the Company.

(b) "Board of Directors" or "Board" shall mean the Board of Directors of the Company.

(c) "Cause" shall mean (i) a Participant's conviction of a felony, (ii) the engaging by Participant in conduct that constitutes willful gross neglect or willful gross misconduct in carrying out his or her duties to the Company, resulting, in either case, in material economic harm to the Company, unless the Participant believed in good faith that such conduct was in, or not contrary to, the best interests of the Company, (iii) the Participant's material breach of any of the terms of his or her offer letter agreement or the Proprietary Information and Inventions Agreement or (iv) the Participant's failure to follow any lawful directive of Amgen Inc.'s Chief Executive Officer with respect to the Participant's employment. For purposes hereof, no act, or failure to act, by Participant shall be deemed "willful" unless done, or omitted to be done, by Participant not in good faith.

(d) "Change of Control" shall be as defined under the Amgen Inc. Change of Control Severance Plan.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(f) "Committee" shall mean the Compensation Committee of the Board.

(g) "Company" shall mean Amgen Inc., and any successor corporations. Company shall also include affiliates and subsidiaries of Amgen Inc., and any successor corporations, if the Committee provides that such corporation shall participate in the Plan.

(h) "Company Discretionary Contributions" shall mean, for each Participant, the discretionary amount that the Company allocates to a Participant under this Plan as determined by the Committee. Such amount may differ from Participant to Participant, including no contributions.

(i) "Crediting Date" shall mean the date, as determined by the Committee, on which a Participant's Nonqualified Retirement Account is credited with the Company Discretionary Amount.

(j) "Disability" shall mean a permanent and total disability that has been certified by the Social Security Administration prior a Participant's Termination of Employment.

(k) "Disability Prorated Nonqualified Retirement Account Amount" shall mean portion of the Nonqualified Retirement Account Amount based upon the ratio of (x) the sum of the number of full months of the Participant's active employment with the Company plus 24 months and (y) the number of months between the Participant's first day of participation in the plan and the Crediting Date.

(l) "Effective Date" shall mean January 1, 2001.

(m) "Eligible Employee" shall mean individuals selected by the Committee, in its sole discretion, from those staff members of the Company.

(n) "Nonqualified Retirement Account" shall mean the bookkeeping account maintained by Company for each Participant that is credited with an amount equal to the Company Discretionary Amount, if any, and any interest credited pursuant to Article 4.

(o) "Participant" shall mean any Eligible Employee who is selected by the Committee, in its sole discretion, to participate in the Plan.

(p) "Plan" shall mean the Amgen Inc. Executive Nonqualified Retirement Plan set forth herein, now in effect, or as amended from time to time.

(q) "Plan Year" shall mean the initial period beginning on January 1, 2001 and ending on December 31, 2001 and thereafter the 12 consecutive month period beginning on each January 1 and ending on each December 31.

(r) "Prorated Nonqualified Retirement Account Amount" shall mean a prorated portion of the Nonqualified Retirement Account Amount based upon the ratio of (i) the number of full months of the Participant's active employment with the Company and (ii) the number of months between the Participant's first day of participation in the Plan and the Crediting Date, provided, however, that if such a Termination of Employment occurs within 2 years after a Change of Control of the Company, as defined in the Amgen Inc. Change of Control Severance Plan, the Participant shall be paid (i) the Prorated Nonqualified Retirement Account Amount plus (ii) an amount equal to the Discretionary Company
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Contribution minus the sum of (x) the Prorated Nonqualified Retirement Account Amount and (y) an amount equal to the aggregate spread between the exercise prices of the Participant's unvested Company stock options which are in the money and the vesting of which is accelerated by the Change of Control and the NASDAQ closing price of the Company stock, with such spread being determined as of the date of the Change of Control. (See Appendix B for an example).

(s) "Retirement Date" shall mean the date upon which a Participant completes 10 years of active employment with the Company and attains age sixty (60).

(t) "Termination of Employment" shall mean the Participant ceasing to be an employee of the Company.

ARTICLE II.

PARTICIPATION

2.1 An Eligible Employee shall become a Participant in the Plan if the Committee designates such Eligible Employee, in writing, as a Participant. The Committee shall also designate the date on which an Eligible Employee becomes a Participant.

ARTICLE III.

ACCOUNTS AND TRUST FUNDING

3.1 Nonqualified Retirement Account.

(a) The Committee shall establish and maintain a Nonqualified Retirement Account for each Participant under the Plan, which shall be credited the amount of Company Discretionary Contributions, if any, contributed to the Plan on behalf of such Participant.

3.2 Trust Funding.

The Company shall pay all Plan benefits. At its discretion, the Committee may establish one or more trusts, with such trustees as the Board may approve, for the purpose of providing for the payment of such benefits.

Although the principal of such a trust and any earnings thereon shall be held separate and apart from other funds of Company and shall be used exclusively for the uses and purposes of Plan Participants and Beneficiaries as set forth therein, neither the Participant nor their Beneficiaries shall have any preferred claim on, or any beneficial ownership in, any assets of the trust prior to the time such assets are paid to the Participants or Beneficiaries as benefits and all rights created under this Plan shall be unsecured contractual rights of Plan Participants and Beneficiaries against the Company. Any assets held in the Trust will be subject to the claims of Company's general creditors under federal and state law in the event of insolvency.

ARTICLE IV.

CREDITING OF ACCOUNTS

4.1 Crediting of Company Discretionary Contributions. If the Participant is actively employed by the company on the Crediting Date, the Company shall credit the Nonqualified Retirement Account with the Company Discretionary Contributions.

4.2 Termination of Employment before Crediting Date. In the event that the Participant's active employment with the Company is terminated before the Crediting Date for any reason, no credits will be made to the Nonqualified Retirement Account and the Participant will not be paid any portion of the Nonqualified Retirement Account, except as set forth below.

(a) If the Participant's employment is terminated by reason of the Participant's Disability before the Crediting Date, on the second anniversary of the date upon which the

Participant last completes one week of active employment with the Company, the Company shall pay the Participant a Disability Prorated Nonqualified Retirement Account Amount. No interest shall be credited on any such payment.

(b) If the Participant's employment is terminated by the Company without Cause before the Crediting Date, between January 2 and January 31 of the year following the year in which the Participant's employment terminates, the Company shall pay the Participant a Prorated Nonqualified Retirement Account Amount. No interest shall be credited on any such payment.

(c) If the Participant's employment is terminated by reason of the Participant's Disability before the Crediting Date, on the second anniversary of the date upon which the Participant last completes one week of active employment with the Company, the Company shall pay the Participant a Disability Prorated Nonqualified Retirement Account Amount. No interest shall be credited on any such payment.

4.3 Interest. No interest shall be credited to the Nonqualified Retirement Account prior to the Crediting Date, in any event. However, if the Participant is actively employed by the Company on the Crediting Date, from and after the Crediting Date the Company shall credit the Nonqualified Retirement Account with interest as set forth below.

(a) Interest after Retirement Date. If the Participant continues to be actively employed by the Company until his or her Retirement Date, the Company shall credit interest annually on the Nonqualified Retirement Account at a rate equal to 125% of the 10-year moving average yield on 10-year U.S. Treasury notes, adjusted annually and compounded annually, from the Crediting Date until the date upon which the Nonqualified Retirement Account and accrued interest is distributed. In the event that the Participant elects to receive his or her distribution in installments, as provided below in Section 5.1(b), interest will be credited on the declining balance of the Nonqualified Retirement Account until it is finally distributed.

(b) Interest before Retirement Date. If the Participant's employment with the Company is terminated for any reason before his or her Retirement Date, the Company shall credit interest annually on the Nonqualified Retirement Account at a rate equal to 100% of the 10-year moving average yield on 10-year U.S. Treasury notes, adjusted annually and compounded annually, from the Crediting Date until the date upon which the Nonqualified Retirement Account, and accrued interest is distributed to the Participant.

ARTICLE V.

DISTRIBUTIONS

5.1 Distribution of Accounts. If the Participant is actively employed by the Company on the Crediting Date, from and after the Crediting Date, the Company shall make distributions from the Nonqualified Retirement Account as set forth below.

(a) Distribution upon Termination of Employment before Retirement Date. If the Participant's employment with the Company is terminated for any reason before the Participant's Retirement Date, the amount credited to the Participant's Nonqualified Retirement Account, plus interest credited to the date of termination, shall be distributed to the Participant in a lump sum

between January 2 and January 31 of the year following the year in which the Participant's employment terminates.

(b) Distribution upon Termination of Employment after Retirement Date. If the Participant's employment with the Company is terminated for any reason on or after the Participant's Retirement Date, the amount credited to the Participant's Nonqualified Retirement Account shall be distributed to the Participant in a lump sum between January 2 and January 31 of the year following the year in which the Participant's employment terminates, unless the Participant elects to be paid in ten or less substantially equal annual installments, beginning between January 2 and January 31 of the year following the year in which the Participant's employment terminates. The Participant must make any election to receive his or her payments in annual installments at least 13 months prior to the date upon which the Participant's employment terminates.

(c) Distribution upon Death. In the event of the Participant's death, any unpaid amounts with respect to the Nonqualified Retirement Account shall be paid to the Participant's named Beneficiaries in a lump sum, or the Participant's estate if the Participant does not designate any Beneficiaries, between January 2 and January 31 of the year following the year of the Participant's death.

ARTICLE VI.

ADMINISTRATION

6.1 Powers and Duties of the Committee.

(a) The Committee, on behalf of the Participants and their Beneficiaries, shall enforce the Plan in accordance with its terms, shall be charged with the general administration of the Plan, and shall have all powers necessary to accomplish its purposes as set forth herein, including, but not by way of limitation, the following:

(1) To construe and interpret the terms and provisions of the Plan and to remedy any inconsistencies or ambiguities hereunder;

(2) To select employees eligible to participate in the Plan;

(3) To compute and certify to the amount and kind of benefits payable to Participants and their Beneficiaries;

(4) To maintain all records that may be necessary for the administration of the Plan;

(5) To provide for the disclosure of all information and the filing or provision of all reports and statements to Participants, Beneficiaries or governmental agencies as shall be required by law;

(6) To make and publish such rules for the regulation of the Plan and procedures for the administration of the Plan as are not inconsistent with the terms hereof;

(7) To appoint a plan administrator or any other agent, and to delegate to them such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe; and

(8) To take all actions necessary for the administration of the Plan.

6.2 Construction and Interpretation.

The Committee shall have full discretion to construe and interpret the terms and provisions of this Plan, which interpretations or construction shall be final and binding on all parties, including but not limited to the Company and any Participant or Beneficiary. The Committee shall administer such terms and provisions in a uniform and nondiscriminatory manner and in full accordance with any and all laws applicable to the Plan.

6.3 Information.

To enable the Committee to perform its functions, the Company shall supply full and timely information to the Committee on all matters relating to the Compensation of all Participants, their death or other events that cause termination of their participation in this Plan, and such other pertinent facts as the Committee may require.

6.4 Compensation, Expenses and Indemnity.

(a) The members of the Committee shall serve without compensation for their services hereunder.

(b) The Committee is authorized at the expense of the Company to employ such legal counsel and other advisors as it may deem advisable to assist in the performance of its duties hereunder. Expenses and fees in connection with the administration of the Plan shall be paid by the Company.

(c) To the extent permitted by applicable state law, the Company shall indemnify and save harmless the Committee and each member thereof, the Board of Directors and any delegate of the Committee who is an employee of the Company against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to the Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Company or provided by the Company under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

6.5 Annual Statements.

Under procedures established by the Committee, a Participant shall receive a statement with respect to such Participant's Accounts on an annual basis as of each December 31.

6.6 Disputes.

(a) Claim.

A person who believes that he or she is being denied a benefit to which he or she is entitled under this Agreement (hereinafter referred to as "Claimant") may file a written request for such benefit with the Company, setting forth his or her claim. The request must be addressed to the Vice President, Human Resources, or his designee, of the Company at its then principal place of business.

(b) Claim Decision.

Upon receipt of a claim, the Company shall advise the Claimant that a reply will be forthcoming within ninety (90) days and shall, in fact, deliver such reply within such period. The Company may, however, extend the reply period for an additional ninety (90) days for special circumstances.

If the claim is denied in whole or in part, the Company shall inform the Claimant in writing, using language calculated to be understood by the Claimant, setting forth: (i) the specified reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or such information is necessary; (iv) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review; and (v) the time limits for requesting a review under subsection (c).

(c) Request For Review.

With sixty (60) days after the receipt by the Claimant of the written opinion described above, the Claimant may request in writing that the Committee review the determination of the Company. Such request must be addressed to the Secretary of the Company, as its then principal place of business. The Claimant or his or her duly authorized representative may, but need not, review the pertinent documents and submit issues and comments in writing for consideration by the Committee. If the Claimant does not request a review within such sixty (60) day period, he or she shall be barred and estoppel from challenging the Company's determination.

(d) Review of Decision.

Within sixty (60) days after the Committee's receipt of a request for review, after considering all materials presented by the Claimant, the Committee will inform the Participant in writing, in a manner calculated to be understood by the Claimant, the decision setting forth the specific reasons for the decision contained specific references to the pertinent provisions of this Agreement on which the decision is based. If special circumstances require that the sixty (60) day time period be extended, the Committee will so notify the Claimant and will render the decision as soon as possible, but no later than one hundred twenty (120) days after receipt of the request for review.

ARTICLE VII.

MISCELLANEOUS

7.1 Unsecured General Creditor.

Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or assets of the Company. No assets of the Company shall be held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all of the Company's assets shall be, and remain, the general unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future, and the rights of the Participants and Beneficiaries shall be no greater than those of unsecured general creditors. It is the intention of the Company that this Plan be unfunded for purposes of the Code and for purposes of Title I of ERISA.

7.2 Restriction Against Assignment.

The Company shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or corporation.

(a) No right, title or interest in the Plan or in any account may be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution. No right, title or interest in the Plan or in any Account shall be liable for the debts, contracts or engagements of the Participant or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

(b) Notwithstanding the provisions of a subsection, a Participant's interest in his Account may be transferred by the Participant pursuant to a domestic relations order that constitutes a "qualified domestic relations order" as defined by the Code or Title 1 of ERISA.

7.3 Withholding.

There shall be deducted from each payment made under the Plan or any other Compensation payable to the Participant (or Beneficiary) all taxes that are required to be withheld by the Company in respect to such payment or this Plan. The Company shall have the right to reduce any payment (or compensation) by the amount of such of cash sufficient to provide the amount of said taxes.

7.4 Amendment, Modification, Suspension or Termination.

The Committee may amend, modify, suspend or terminate the Plan in whole or in part, except that no amendment, modification, suspension or termination shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts. In the event that this Plan is terminated, the amounts allocated to a Participant's Accounts shall be distributed to the Participant or, in the event of his or her death, his or her Beneficiary in a lump sum within thirty (30) days following the date of termination.

7.5 Governing Law.

This Plan shall be construed, governed and administered in accordance with the laws of the State of California.

7.6 Payments on Behalf of Persons Under Incapacity.

In the event that any amount becomes payable under the Plan to a person who, in the sole judgment of the Committee, is considered by reason of physical or mental condition to be unable to give a valid receipt therefore, the Committee may direct that such payment be made to any person found by the Committee, in its sole judgment, to have assumed the care of such person. Any payment made pursuant to such termination shall constitute a full release and discharge of the Committee and the Company.

7.7 Limitation of Rights and Employment Relationship

Neither the establishment of the Plan nor any modification thereof, nor the creating of any fund or account, nor the payment of any benefits shall be construed as giving to any Participant or other person any legal or equitable right against the Company except as provided in the Plan, and in no event shall the terms of employment of any Employee or Participant be modified or in any be effected by the provisions of the Plan.

7.8 Exempt ERISA Plan

The Plan is intended to be an unfunded plan maintained primarily to provide nonqualified retirement benefits for a select group of management or highly compensated employees within the meaning of Sections 201, 301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA.

7.9 Notice

Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company, directed to the attention of the General Counsel and Secretary of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

7.10 Errors and Misstatements

In the event of any misstatement or omission of fact by a Participant to the Committee or any clerical error resulting in payment of benefits in an incorrect amount, the Committee shall promptly cause the amount of future payments to be corrected upon discovery of the facts and shall pay or, if applicable, cause the Trustee to pay, the Participant or any other person entitled to payment under the Plan any underpayment in a lump sum or to recoup any overpayment from future payments to the participant or any other person entitled to payment under the Plan in such amounts as the Committee shall direct or to proceed against the Participant or any other person entitled to payment under the Plan for recovery of any such overpayment.

7.11 Pronouns and Plurality

The masculine pronoun shall include the feminine pronoun, and the singular the plural where the context so indicates.

7.12 Severability

In the event that any provision of the Plan shall be declared unenforceable or invalid for any reason, such unenforceability or invalidity shall not affect the remaining provisions of the Plan but shall be fully severable, and the Plan shall be construed and enforced as if such unenforceable or invalid provision had never been included herein.

7.13 Status

The establishment and maintenance of, or allocations and credits to, the Account of any Participant shall not vest in any Participant any right, title or interest in and to any Plan assets or benefits except at the time or times and upon the terms and conditions and to the extent expressly set forth in the Plan and in accordance with the terms of the trust, if applicable.

7.14 Headings.

Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

IN WITNESS WHEREOF, the Company has caused this document to be executed by its duly authorized officer on this 1st day of February, 2002.

By: /s/ Brian M. McNamee

Its: Senior Vice President, Human Resources

APPENDIX A

Name of Participant	Date of Participation	Crediting Date	Discretionary Company Contribution
Roger Perlmutter	January 16, 2001	September 16, 2007	$10,000,000
George Morrow	January 19, 2001	January 19, 2006	$15,000,000

APPENDIX B

Other Participating Companies

Amgen USA Inc., effective January 1, 2002

APPENDIX C

For example:

Name of Participant	Date of Participation	Crediting Date	Discretionary Company Contribution
Participant A	January 1, 2001	January 1, 2007	$1,000,000

If the Company were to terminate the Participant's employment without Cause on July 31, 2003, the Participant would be paid $430,555 ($1,000,000 x 31/72). If, however, such a termination were to occur within 2 years after a Change of Control of the Company and on the date of the Change of Control the Participant hold unvested options for 10,000 shares of the Company stock and if each of such options has an exercise price of $80 and the NASDAQ closing price of the Company stock on the date of the Change of Control were $120, the Participant would be paid $600,000: ($430,555 + ($1,000,000 - ($430,555 + (($120 - $80) x 10,000))))).

[LOGO]
Amgen Nonqualified Deferred Compensation Plan
Plan Document
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Nonqualified Deferred Compensation Plan

Effective January 1, 2002

TABLE OF CONTENTS

		Page
Purpose		1
ARTICLE 1	Definitions	1
ARTICLE 2	Selection/Enrollment/Eligibility	5
2.1	Selection by Committee	6
2.2	Enrollment Requirements	6
2.3	Eligibility/Commencement of Participation	6
2.4	Termination of Participation and/or Deferrals	6
ARTICLE 3	Deferral Commitments/Company Matching/Crediting/Taxes	6
3.1	Minimum Deferrals	6
3.2	Maximum Deferrals	7
3.3	Election to Defer/Effect of Election Form	7
3.4	Withholding of Annual Deferral Amounts	8
3.5	Annual Company Contribution Amount	8
3.6	Vesting	8
3.7	Crediting/Debiting of Account Balances	9
3.8	Distribution	10
ARTICLE 4	Short-Term Payout/Unforeseeable Financial Emergencies/Withdrawal Election	11
4.1	Short-Term Payout	11
4.2	Other Benefits Take Precedence Over Short-Term	11
4.3	Withdrawal Payout/Suspensions for Unforeseeable Financial Emergencies	11
4.4	Withdrawal Election	12
ARTICLE 5	Retirement Benefit	12
5.1	Retirement Benefit	12
5.2	Payment of Retirement Benefit	12
5.3	Death Prior to Completion of Retirement Benefit	13
ARTICLE 6	Pre-Retirement Survivor Benefit	13
6.1	Pre-Retirement Survivor Benefit	13
6.2	Payment of Pre-Retirement Survivor Benefit	13

ARTICLE 7 Termination Benefit..... 14

7.1 Termination Benefit..... 14
7.2 Payment of Termination Benefit..... 14

ARTICLE 8 Disability Waiver and Benefit..... 14

8.1 Disability Waiver..... 14
8.2 Continued Eligibility/Disability Benefit..... 14

ARTICLE 9 Beneficiary Designation..... 15

9.1 Beneficiary..... 15
9.2 Beneficiary Designation Change/Spousal Consent..... 15
9.3 Acknowledgement..... 15
9.4 No Beneficiary Designation..... 15
9.5 Doubt as to Beneficiary..... 15
9.6 Discharge of Obligations..... 16

ARTICLE 10 Leave of Absence..... 16

10.1 Paid Leave of Absence..... 16
10.2 Unpaid Leave of Absence..... 16

ARTICLE 11 Termination/Amendment or Modification..... 16

11.1 Termination..... 16
11.2 Amendment..... 17
11.3 Plan Agreement..... 17
11.4 Effect of Payment..... 17

ARTICLE 12 Administration..... 17

12.1 Committee Duties..... 17
12.2 Administration Upon Change In Control..... 18
12.3 Agents..... 18
12.4 Binding Effect of Decisions..... 18
12.5 Indemnity of Committee..... 18
12.6 Employer Information..... 19

ARTICLE 13 Other Benefits and Agreements..... 19

13.1 Coordination with Other Benefits..... 19

- ---

ARTICLE 14 Claims Procedures..... 19

14.1 Presentation of Claim..... 19
14.2 Notification of Decision..... 19
14.3 Review of a Denied Claim..... 20
14.4 Decision on Review..... 20
14.5 Legal Action..... 20

ARTICLE 15 Trust..... 21

15.1 Establishment of the Trust..... 21
15.2 Interrelationship of the Plan and the Trust..... 21
15.3 Distributions From the Trust..... 21
3.10 Investment of Trust Assets..... 21

ARTICLE 16 Miscellaneous..... 21

16.1 Status of Plan..... 21
16.2 Unsecured General Creditor..... 22
16.3 Employer's Liability..... 22
16.4 Nonassignability..... 22
16.5 Not a Contract of Employment..... 22
16.6 Furnishing Information..... 22
16.7 Terms 23
16.8 Captions..... 23
16.9 Governing Law..... 23
16.10 Notice..... 23
16.11 Successors..... 23
16.12 Spouse's Interest..... 23
16.13 Validity..... 24
16.14 Incompetent..... 24
16.15 Court Order..... 24
16.16 Distribution in the Event of Taxation..... 24
16.17 Insurance..... 24
16.18 Legal Fees To Enforce Rights After Change in Control..... 25

AMGEN NONQUALIFIED DEFERRED COMPENSATION PLAN

Effective January 1, 2002

Purpose

The purpose of this Plan is to provide specified benefits to a select group of management or highly compensated Employees and Directors who contribute materially to the continued growth, development and future business success of Amgen, Inc., a Delaware corporation, and its subsidiaries, if any, that sponsor this Plan. This Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA.

ARTICLE 1
Definitions

For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

1.1 "Account Balance" shall mean, with respect to a Participant, a credit on the records of the Employer equal to the sum of (i) the Deferral Account balance and (ii) the vested Company Contribution Account balance. The Account Balance, and each other specified account balance, shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.

1.2 "Annual Base Salary" shall mean the wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with any Employer to the extent that the amounts are includable in gross income (including, but not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on reimbursements or other expense allowances under a nonaccountable plan (as described in Treasury Regulation Section 1.62-2(c)), but excluding any "goods and services allowance" provided to certain expatriate staff members. Notwithstanding anything else in the Plan to the contrary, Annual Base Salary shall not include the Annual Bonus. Annual Base Salary shall be computed without regard to any election to reduce or defer salary under the Amgen, Inc. Retirement and Savings Plan or any other employee benefit plan, including the cafeteria plan under Section 125 of the Code. Annual Base Salary shall not include: (a) any Company contributions to the Amgen, Inc. Retirement and Savings Plan or any other employee benefit plan for or on account of the Employee, except as otherwise provided in the preceding sentence or (b) the items described in Treasury Regulation Section 1.415-2(d)(3), which, among other items, would exclude from compensation amounts realized from the exercise of a nonqualified stock option (or when restricted stock (or property) held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture under Section 83 of the

Code) and amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option.

1.3 "Annual Bonus" shall mean the wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with any Employer to the extent that the amounts are includable in gross income and are paid pursuant to the Management Incentive Plan (MIP).

1.4 "Annual Company Contribution Amount" shall mean, for any one Plan Year, the amount determined in accordance with Section 3.5.

1.5 "Annual Deferral Amount" shall mean that portion of a Participant's Annual Base Salary Annual Bonus and/or Director Fees, as applicable, that a Participant elects to have, and is deferred, in accordance with Article 3, for any one Plan Year.

1.6 "Annual Installment Method" shall be an annual installment payment over the number of years selected by the Participant in accordance with this Plan, calculated as follows: The Account Balance of the Participant shall be calculated as of the most recent Valuation Date. The annual installment shall be calculated by multiplying this balance by a fraction, the numerator of which is one, and the denominator of which is the remaining number of annual payments due the Participant. By way of example, if the Participant elects a 10-year Annual Installment Method, the first payment shall be 1/10 of the Account Balance as of the most recent Valuation Date. The following year, the payment shall be 1/9 of the Account Balance as of the most recent Valuation Date. Each annual installment shall be paid on or as soon as practicable after the amount is calculated.

1.7 "Beneficiary" shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article 9, or entitled under Article 9 in the absence of a designation, that are entitled to receive benefits under this Plan upon the death of a Participant.

1.8 "Beneficiary Designation Form" shall mean the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate one or more Beneficiaries.

1.9 "Board" shall mean the board of directors of the Company.

1.10 "Change in Control" shall have the meaning set forth in the Amgen, Inc. Change In Control Severance Plan, as it may be amended from time to time.

1.11 "Claimant" shall have the meaning set forth in Section 14.1.

1.12 "Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.

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1.13 "Committee" shall mean the committee described in Article 12.

1.14 "Company" shall mean Amgen, Inc., and any successor to all or substantially all of the Company's assets or business.

1.15 "Company Contribution Account" shall mean (i) the sum of the Participant's Annual Company Contribution Amounts, plus (ii) amounts credited (net of amounts debited) in accordance with all the applicable crediting provisions of this Plan that relate to the Participant's Company Contribution Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Company Contribution Account.

1.16 "Deduction Limitation" shall mean the following described limitation on a benefit that may otherwise be distributable pursuant to the provisions of this Plan. Except as otherwise provided, this limitation shall be applied to all distributions that are "subject to the Deduction Limitation" under this Plan. If an Employer determines in good faith prior to a Change in Control that there is a reasonable likelihood that any compensation paid to a Participant for a taxable year of the Employer would not be deductible by the Employer solely by reason of the limitation under Code Section 162(m), then to the extent deemed necessary by the Employer to ensure that the entire amount of any distribution to the Participant pursuant to this Plan prior to the Change in Control is deductible, the Employer may defer all or any portion of a distribution under this Plan. Any amounts deferred pursuant to this limitation shall continue to be credited and debited with additional amounts in accordance with Section 3.13 below, even if such amount is being paid out in installments. The amounts so deferred and amounts credited (net of amounts debited) thereon shall be distributed to the Participant or his or her Beneficiary (in the event of the Participant's death) at the earliest possible date, as determined by the Employer in good faith, on which the deductibility of compensation paid or payable to the Participant for the taxable year of the Employer during which the distribution is made will not be limited by Section 162(m), or if earlier, the effective date of a Change in Control. Notwithstanding anything to the contrary in this Plan, the Deduction Limitation shall not apply to any distributions made after a Change in Control.

1.17 "Deferral Account" shall mean (i) the sum of all of a Participant's Annual Deferral Amounts, plus (ii) amounts credited (net of amounts debited) in accordance with all the applicable provisions of this Plan that relate to the Participant's Deferral Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Deferral Account.

1.18 "Director" shall mean any member of the Board.

1.19 "Director Fees" shall mean the annual fees paid by any Employer, including retainer fees and meeting fees, as compensation for serving on the Board.

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1.20 "Disability" shall mean that the Participant is determined under Title II or XVI of the Social Security Act, to have been disabled. The Participant must submit evidence to the Committee of the Social Security Administration's determination of disability before a person is to be deemed Disabled under this Plan.

1.21 "Disability Benefit" shall mean the benefit set forth in Article 8.

1.22 "Election Form" shall mean the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to make an election under the Plan.

1.23 "Employee" shall mean a person whom an Employer classifies as an employee.

1.24 "Employer" shall mean the Company or any of its subsidiaries or affiliates (now in existence or hereafter formed or acquired) that have been selected by the Board to participate in the Plan and have adopted the Plan by permitting their Employees to participate in the Plan.

1.25 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.26 "401(k) Plan" shall be that certain Amgen Inc. Retirement and Savings Plan adopted by the Company, as it may be amended from time to time.

1.27 "Participant" shall mean any Employee (i) who is selected by the Committee from among the highly compensated or management employees of the Employer to participate in the Plan, (ii) who elects to participate in the Plan, (iii) who signs a Plan Agreement, an Election Form and a Beneficiary Designation Form, (iv) whose signed Plan Agreement, Election Form and Beneficiary Designation Form are accepted by the Committee, (v) who commences participation in the Plan, and (vi) whose Plan Agreement has not terminated. A spouse or former spouse of a Participant shall not be treated as a Participant in the Plan or have an account balance under the Plan, even if he or she has an interest in the Participant's benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.

1.28 "Plan" shall mean the AMGEN NONQUALIFIED DEFERRED COMPENSATION PLAN, effective January 1, 2002, which shall be evidenced by this instrument and by each Plan Agreement, as they may be amended from time to time.

1.29 "Plan Agreement" shall mean a written agreement, as may be amended from time to time, which is entered into by and between an Employer and a Participant. Each Plan Agreement executed by a Participant and the Participant's Employer shall provide for the entire benefit to which such Participant is entitled under the Plan; should there be more than one Plan Agreement, the Plan Agreement bearing the latest date of acceptance by the Employer shall supersede all previous Plan Agreements in their entirety and shall govern such entitlement. The terms of any Plan Agreement may be different for any Participant, and any Plan

Agreement may provide additional benefits not set forth in the Plan or limit the benefits otherwise provided under the Plan; provided, however, that any such additional benefits or benefit limitations must be agreed to by both the Employer and the Participant.

1.30 "Plan Year" shall mean a period beginning on January 1 of each calendar year (beginning January 1, 2002), and continuing through December 31 of such calendar year.

1.31 "Pre-Retirement Survivor Benefit" shall mean the benefit set forth in Article 6.

1.32 "Retirement", "Retire(s)" or "Retired" shall mean, with respect to an Employee, severance from employment from all Employers for any reason other than death or Disability at such time as the Employee is at least sixty (60) years old.

1.33 "Retirement Benefit" shall mean the benefit set forth in Article 5.

1.34 "Short-Term Payout" shall mean the payout set forth in Section 4.1.

1.35 "Termination Benefit" shall mean the benefit set forth in Article 7.

1.36 "Termination " shall mean the severing of employment with all Employers, voluntarily or involuntarily, for any reason other than Retirement, Disability or death. Termination of Employment shall not be deemed to occur, however, upon the transfer of a Participant from the employ of the Company or another Employer to the employ of any subsidiary or affiliate, regardless of whether that subsidiary or affiliate is an Employer under the Plan.

1.37 "Trust" shall mean one or more trusts established pursuant to that certain Trust Agreement, dated as of _____ 1, 2002 between the Company and the trustee named therein, as amended from time to time.

1.38 "Unforeseeable Financial Emergency" shall mean an unanticipated emergency that is caused by an event beyond the control of the Participant that would result in severe financial hardship to the Participant resulting from (i) a sudden and unexpected illness or accident of the Participant or a dependent of the Participant, (ii) a loss of the Participant's property due to casualty, or (iii) another extraordinary and unforeseeable circumstance arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Committee.

1.39 "Valuation Date" shall mean the last day of each Plan Year or any other date as of which the Committee, in its sole discretion, designates as a Valuation Date.

1.40 "Years of Service" shall mean each Plan Year or portion thereof during which an Employee is credited with at least 1000 hours of service.

ARTICLE 2
Selection/Enrollment/Eligibility

2.1 Selection by Committee. Participation in the Plan shall be limited to a select group of Employees and Directors of the Employers, each of whom is a member of management or is highly compensated. From the group of Employees who are management or highly compensated, the Committee shall select, in its sole discretion, Employees and Directors to participate in the Plan.

2.2 Enrollment Requirements. As a condition to participation, each selected Employee shall complete, execute and return to the Committee a Plan Agreement, an Election Form and a Beneficiary Designation Form, all within the number of days specified by the Committee after he or she is selected to participate in the Plan. In addition, the Committee may establish from time to time such other enrollment requirements as it determines in its sole discretion are necessary.

2.3 Eligibility/Commencement of Participation. Provided an Employee selected to participate in the Plan has met all enrollment requirements set forth in this Plan and required by the Committee, including returning all required documents to the Committee within the specified time period, that Employee shall commence participation in the Plan on the first day of the month following the month in which the Employee completes all enrollment requirements or such other date specified by the Committee.

2.4 Termination of Participation and/or Deferrals. If the Committee determines in good faith that a Participant no longer qualifies as a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, the Committee shall have the right, in its sole discretion, to (i) terminate any deferral election the Participant has made for the remainder of the Plan Year in which the Participant's membership status changes, and (ii) prevent the Participant from making future deferral elections or, in the Committee's discretion, may also (iii) immediately distribute the Participant's then Account Balance as a Termination Benefit and terminate the Participant's participation in the Plan.

ARTICLE 3
Deferral Commitments/Company Matching/Crediting/Taxes

3.1 Minimum Deferrals.

(a) Annual Base Salary and Annual Bonus. For each Plan Year, a Participant may elect to defer, as his or her Annual Deferral Amount, Annual Base Salary or Annual Bonus, or both, in the following minimum amounts for each deferral elected:

Deferral	Minimum Amount
Annual Base Salary and/or Annual Bonus	$2,000

If an election is made for less than stated minimum amounts, or if no election is made, the amount deferred shall be zero.

(b) Short Plan Year. Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, the minimum Annual Base Salary deferral shall be an amount equal to the minimum set forth above, multiplied by a fraction, the numerator of which is the number of complete months remaining in the Plan Year and the denominator of which is 12.

3.1 Maximum Deferrals.

(a) Annual Base Salary Annual Bonus and Director Fees. For each Plan Year, a Participant may elect to defer, as his or her Annual Deferral Amount, Annual Base Salary and Annual Bonus up to the following maximum percentages for each deferral elected:

Deferral	Maximum Percentage
Annual Base Salary	50%
Annual Bonus	100%
Director Fees	100%

(b) Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, the maximum Annual Deferral Amount, with respect to Annual Base Salary and Annual Bonus shall be based on the amount of compensation not yet earned by the Participant as of the date the Participant submits a Plan Agreement and an Election Form to the Committee for acceptance.

3.3 Election to Defer/Effect of Election Form.

(a) First Plan Year of Participation. Within thirty (30) days after being designated by the Committee for participation in the Plan, the Participant shall make an irrevocable deferral election for the Plan Year in which the Participant commences participation, along with such other elections as the Committee deems necessary or desirable under the Plan. For these elections to be valid, the Election Form must be completed and signed by the Participant, timely delivered to the Committee (in accordance with Section 2.2 above) and accepted by the Committee.

(b) Subsequent Plan Years. For each succeeding Plan Year, an irrevocable deferral election for that Plan Year, and such other elections as the Committee deems necessary or desirable under the Plan, shall be made by timely delivering to the Committee, in accordance with its rules and procedures, before the end of the Plan Year preceding the

Plan Year for which the election is made, a new Election Form. If no such Election Form is timely delivered for a Plan Year, the Annual Deferral Amount shall be zero for that Plan Year.

3.4 Withholding of Annual Deferral Amounts. For each Plan Year, for each Participant, the Annual Base Salary portion of the Annual Deferral Amount shall be withheld on a ratable basis, to the extent possible, from each regularly scheduled Annual Base Salary payroll. The Annual Bonus portion of the Annual Deferral Amount shall be withheld, to the extent possible, at the time the Annual Bonus is or otherwise would be paid to the Participant, whether or not this occurs during the Plan Year itself.

3.5 Annual Company Contribution Amount. For each Plan Year, an Employer, in its sole discretion, may, but is not required to, credit any amount it desires to any Participant's Company Contribution Account under this Plan, which amount shall be for that Participant the Annual Company Contribution Amount for that Plan Year. The amount so credited to a Participant may be smaller or larger than the amount credited to any other Participant, and the amount credited to any Participant for a Plan Year may be zero, even though one or more other Participants receive an Annual Company Contribution Amount for that Plan Year. The Annual Company Contribution Amount, if any, shall be credited as of the date determined by the Committee in its sole discretion. If a Participant is not employed by an Employer as of the last day of a Plan Year for a reason other than his or her Retirement or death while employed, the Annual Company Contribution Amount for that Plan Year shall be zero.

3.6 Vesting.

(a) A Participant shall at all times be 100% vested in his or her Deferral Account.

(b) A Participant shall be vested in his or her Company Contribution Account in accordance with the vesting schedules established by the Committee, in its sole and absolute discretion, for each Annual Company Contribution Amount (and amounts credited or debited thereon) at the time each such Annual Company Contribution Amount is first credited to the Participant's Account Balance under the Plan. The vesting schedules established by the Committee for each Annual Company Contribution Amount may be different for different Participants.

(c) Notwithstanding anything in this Section to the contrary, except as provided in subsection (d) below, in the event of a Change in Control, a Participant's Company Contribution Account shall immediately become 100% vested (without regard to whether it is already vested in accordance with the above vesting schedules).

(d) Except as otherwise provided by written agreement between a Participant and his/her Employer, notwithstanding anything in this Section or the Plan to the contrary, the vesting schedule for a Participant's Company Contribution Account shall not be accelerated to the extent that the Committee determines that such acceleration would

cause the deduction limitations of Section 280G of the Code to become effective. In the event that any portion of a Participant's Company Contribution Account is not vested pursuant to such a determination, the Participant may request independent verification of the Committee's calculations with respect to the application of Section 280G. In such case, the Committee must provide to the Participant within 15 business days of such a request an opinion from a nationally recognized accounting firm selected by the Participant (the "Accounting Firm"), to the effect that, in the Accounting Firm's opinion that any limitation in the vested percentage hereunder is necessary to avoid the limits of Section 280G, and containing supporting calculations, or, in the absence of such an opinion, shall cause the relevant portion of the Participant's Company Contribution Account to become vested. The cost of such opinion shall be paid for by the Company.

3.7 Crediting/Debiting of Account Balances. In accordance with, and subject to, the rules and procedures that are established from time to time by the Committee, in its sole discretion, amounts shall be credited or debited to a Participant's Account Balance in accordance with the following rules:

(a) Election of Measurement Funds. A Participant, in connection with his or her initial deferral election in accordance with Section 3.3(a) above, shall elect, on the Election Form, one or more Measurement Fund(s) to be used to determine the additional amounts to be credited to his or her Account Balance for the first business day in which the Participant commences participation in the Plan and continuing thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the next sentence. Commencing with the first business day that follows the Participant's commencement of participation in the Plan and continuing thereafter for each subsequent day in which the Participant participates in the Plan, the Participant may (but is not required to) elect, by submitting an Election Form to the Committee that is accepted by the Committee, to add or delete one or more Measurement Fund(s) to be used to determine the additional amounts to be credited to his or her Account Balance, or to change the portion of his or her Account Balance allocated to each previously or newly elected Measurement Fund. If an election is made in accordance with the previous sentence, it shall apply to the next business day and continue thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the previous sentence.

(b) Proportionate Allocation. In making any election described in Section 3.7(a) above, the Participant shall specify on the Election Form, in increments of five percentage points (5%), the percentage of his or her Account Balance to have gains and losses measured by a Measurement Fund.

(c) Measurement Funds. From time to time, the Committee in its sole discretion shall select and announce to Participants its selection of mutual funds, insurance company separate accounts, indexed rates or other methods (each, a "Measurement Fund"), for the purpose of providing the basis on which gains and losses shall be attributed to

Account Balances under the Plan. The Committee may, in its sole discretion, discontinue, substitute or add a Measurement Fund at any time. Each such action will take effect as of the first day of the calendar quarter that follows by thirty (30) days the day on which the Committee gives Participants advance written notice of such change.

(d) Crediting or Debiting Method. The performance of each elected Measurement Fund (either positive or negative) will be determined by the Committee, in its reasonable discretion, based on available reports of the performance of the Measurement Funds. A Participant's Account Balance shall be credited or debited on a daily basis based on the performance of each Measurement Fund selected by the Participant, as determined by the Committee in its sole discretion, as though (i) a Participant's Account Balance were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such day, as of the close of business on such day, at the closing price on such date; (ii) the portion of the Annual Deferral Amount that was actually deferred during any day were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such day, no later than the close of business on the first business day after the day on which such amounts are actually deferred from the Participant's Annual Base Salary through reductions in his or her payroll and from the Participant's Annual Bonus, at the closing price on such date; and (iii) any distribution made to a Participant that decreases such Participant's Account Balance ceased being invested in the Measurement Fund(s), in the percentages applicable to such day, no later than one business day prior to the distribution, at the closing price on such date.

(e) No Actual Investment. Notwithstanding any other provision of this Plan that may be interpreted to the contrary, the Measurement Funds are to be used for measurement purposes only, and a Participant's election of any such Measurement Fund, the allocation to his or her Account Balance thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account Balance shall not be considered or construed in any manner as an actual investment of his or her Account Balance in any such Measurement Fund. In the event that the Company or the Trustee (as that term is defined in the Trust), in its own discretion, decides to invest funds in any or all of the Measurement Funds, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account Balance shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company or the Trust; the Participant shall at all times remain an unsecured creditor of the Company.

3.8 Distributions. The Participant's Employer(s), or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer(s), or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer(s) and the trustee of the Trust, respectively (whichever is making the payment). The Participant's Employer, or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan any garnishment of wages in amounts

and in a manner to be determined by the sole discretion of the Employer(s) and the trustee of the Trust, respectively (whichever is making the payment).

3.9 Adjustment of Annual Deferral Amount. The Committee shall have the authority to reduce, without the Participant's consent, the Annual Deferral Amount and/or the Annual Company Contribution Amount, to the extent necessary to comply with applicable tax withholding obligations, garnishments or court-mandated payments, or Participant-authorized deferrals payments or contributions.

ARTICLE 4
Short-Term Payout/Unforeseeable Financial Emergencies/ Withdrawal Election

4.1 Short-Term Payout. In connection with each election to defer an Annual Deferral Amount, a Participant may irrevocably elect to receive a future "Short-Term Payout" from the Plan with respect to such Annual Deferral Amount. Subject to the Deduction Limitation, the Short-Term Payout shall be a lump sum payment in an amount that is equal to the Annual Deferral (or a specified portion thereof) plus amounts credited or debited in the manner provided in Section 3.7 above on that amount, determined at the time that the Short-Term Payout becomes payable (rather than the date of a Termination of Employment) or, alternatively if so elected by the Participant, a fixed stated sum, up to the total Account. Subject to the Deduction Limitation and the other terms and conditions of this Plan, each Short-Term Payout elected shall be paid out during a 60 day period commencing immediately after the last day of any Plan Year designated by the Participant that is at least three Plan Years after the Plan Year in which the Annual Deferral Amount is actually deferred.

4.2 Other Benefits Take Precedence Over Short-Term Payout. Should an event occur that triggers a benefit under Article 5, 6, 7 or 8, any Annual Deferral Amount, plus amounts credited or debited thereon, that is subject to a Short-Term Payout election under Section 4.1 shall not be paid in accordance with Section 4.1 but shall be paid in accordance with the other applicable Article.

4.3 Withdrawal Payout/Suspensions for Unforeseeable Financial Emergencies. If the Participant experiences an Unforeseeable Financial Emergency, the Participant may petition the Committee to (i) suspend any deferrals required to be made by a Participant or (ii) receive a partial or full payout from the Plan. The payout shall not exceed the lesser of the Participant's Account Balance, calculated as if such Participant were receiving a Termination Benefit, or the amount reasonably needed to satisfy the Unforeseeable Financial Emergency. If, subject to the sole discretion of the Committee, the petition for a suspension and/or payout is approved, suspension shall take effect upon the date of approval and any payout shall be made within 60 days of the date of approval. The payment of any amount under this Section 4.3 shall not be subject to the Deduction Limitation.

4.4 Withdrawal Election. A Participant (or, after a Participant's death, his or her Beneficiary) may elect, at any time, to withdraw a portion or all of his or her Account Balance, calculated as if there had occurred a Termination of Employment as of the day of the election, less a withdrawal penalty equal to 10% of the amount withdrawn (the net amount shall be referred to as the "Withdrawal Amount"). Notwithstanding anything in this Section or the Plan to the contrary, to the extent a Participant elects to withdraw a portion or all of his or her Account Balance pursuant to this Section, the Participant may not defer any of his or her Annual Salary Annual Bonus or Director Fees for the remainder of the Plan Year in which the withdrawal is taken and for the next full Plan Year. This election can be made at any time, before or after Retirement, Disability, death or Termination of Employment, and whether or not the Participant (or Beneficiary) is in the process of being paid pursuant to an installment payment schedule. If made before Retirement, Disability or death, a Participant's Withdrawal Amount shall be based on his or her Account Balance calculated as if there had occurred a Termination of Employment as of the day of the election. Notwithstanding anything in this Section or the Plan to the contrary, a Participant may not elect a Withdrawal Amount less than $5,000. The Participant (or his or her Beneficiary) shall make this election by giving the Committee advance written notice of the election in a form determined from time to time by the Committee. The Participant (or his or her Beneficiary) shall be paid the Withdrawal Amount within 60 days of his or her election and the Participant's Account shall concurrently be reduced by the Withdrawal Amount plus the 10% penalty. The payment of this Withdrawal Amount shall not be subject to the Deduction Limitation.

ARTICLE 5
Retirement Benefit

5.1 Retirement Benefit. Subject to the Deduction Limitation, a Participant who Retires shall receive, as a Retirement Benefit, his or her Account Balance.

5.2 Payment of Retirement Benefit. A Participant, in connection with his or her commencement of participation in the Plan, shall elect on an Election Form the form in which the Retirement Benefit will be paid, if that benefit becomes payable under the terms of the Plan, which form shall be a lump sum or an Annual Installment Method of not more than ten (10) years. The Participant may change his or her election to an allowable alternative payout period by submitting a new Election Form to the Committee; provided, however, the last Election Form that is submitted at least 1 year prior to the Participant's Retirement and is accepted by the Committee in its sole discretion shall be the governing Election Form as to this matter. If a Participant does not make any election with respect to the payment of the Retirement Benefit, then such benefit shall be payable in a lump sum. The lump sum payment shall be made, or installment payments shall commence, no later than 60 days after the Participant Retires. Any payment made shall be subject to the Deduction Limitation. Notwithstanding anything in this Section or the Plan to the contrary, but subject to the Deduction Limitation, the Retirement Benefit paid pursuant to a Participant's elected Annual Installment Method shall be paid in the

number of annual installments elected by the Participant; provided, however, the annual installments shall not exceed the lesser of the Participant's Years of Service or ten (10) years.

5.3 Death Prior to Completion of Retirement Benefit. If a Participant dies after Retirement but before the Retirement Benefit is paid in full, the Participant's unpaid Retirement Benefit payments shall continue and shall be paid to the Participant's Beneficiary (a) over the remaining number of years and in the same amounts as that benefit would have been paid to the Participant had the Participant survived, or (b) in a lump sum, if requested by the Beneficiary and allowed in the sole discretion of the Committee, that is equal to the Participant's unpaid remaining Account Balance.

ARTICLE 6
Pre-Retirement Survivor Benefit

6.1 Pre-Retirement Survivor Benefit. Subject to the Deduction Limitation, the Participant's Beneficiary shall receive a Pre-Retirement Survivor Benefit equal to the Participant's Account Balance if the Participant dies before he or she Retires, experiences a Termination of Employment or suffers a Disability.

6.2 Payment of Pre-Retirement Survivor Benefit. A Participant, in connection with his or her commencement of participation in the Plan, shall elect on an Election Form whether the Pre-Retirement Survivor Benefit shall be received by his or her Beneficiary in a lump sum or pursuant to an Annual Installment Method of up to ten (10) years. The Participant may annually change this election to an allowable alternative payout period by submitting a new Election Form to the Committee, which form must be accepted by the Committee in its sole discretion. The Election Form most recently accepted by the Committee prior to the Participant's death shall govern the payout of the Participant's Pre-Retirement Survivor Benefit. If a Participant does not make any election with respect to the payment of the Pre-Retirement Survivor Benefit, then such benefit shall be paid in a lump sum. Notwithstanding the foregoing, if the Participant's Account Balance at the time of his or her death is less than $25,000, payment of the Pre-Retirement Survivor Benefit may be made, in the sole discretion of the Committee, in a lump sum or pursuant to an Annual Installment Method of not more than 5 years. The lump sum payment shall be made, or installment payments shall commence, no later than 60 days after the Committee is provided with proof that is satisfactory to the Committee of the Participant's death.

ARTICLE 7
Termination Benefit

7.1 Termination Benefit. Subject to the Deduction Limitation, the Participant shall receive a Termination Benefit, which shall be equal to the Participant's Account Balance if a Participant experiences a Termination of Employment prior to his or her Retirement, death or Disability.

7.2 Payment of Termination Benefit. The Termination Benefit shall be paid to the Participant in a lump sum. Notwithstanding anything in this Section or the Plan to the contrary, a Participant may request that the Company pay the lump sum payment or commence the installment payments 60 days after the end of the Plan Year in which the Participant terminates his or her employment. The Committee may, in its sole discretion, accept or reject such a request from a Participant.

ARTICLE 8
Disability Waiver and Benefit

8.1 Disability Waiver.

(a) Waiver of Deferral. A Participant who is determined by the Committee to be suffering from a Disability shall (i) have no further deferrals of the Annual Deferral Amount that would otherwise have been withheld from a Participant's Annual Base Salary Annual Bonus or Director Fees for the Plan Year during which the Participant first suffers a Disability. During the period of Disability, the Participant shall not be allowed to make any additional deferral elections, but will continue to be considered a Participant for all other purposes of this Plan.

(b) Return to Work. If a Participant returns to employment with an Employer, after a Disability ceases, the Participant may elect to defer an Annual Deferral Amount for the Plan Year following his or her return to employment or service and for every Plan Year thereafter while a Participant in the Plan; provided such deferral elections are otherwise allowed and an Election Form is delivered to and accepted by the Committee for each such election in accordance with Section 3.3 above.

8.2 Continued Eligibility/Disability Benefit. A Participant suffering a Disability shall, for benefit purposes under this Plan, continue to be considered to be employed and shall be eligible for the benefits provided for in Articles 4, 5, 6 or 7 in accordance with the provisions of those Articles. Notwithstanding the foregoing, the Committee shall have the right to, in its sole and absolute discretion, deem the Participant to have experienced a Termination of Employment, or in the case of a Participant who is eligible to Retire, to have Retired, at any time after such Participant is determined to be suffering a Disability, in which case the Participant shall receive a Disability Benefit equal to his or her Account Balance at the time of the Committee's determination; provided, however, that should the Participant otherwise have been eligible to Retire, he or she shall be paid in accordance with Article 5 as though the Participant Retired.

The Disability Benefit shall be paid in a lump sum within 60 days of the Committee's exercise of such right. Any payment made shall be subject to the Deduction Limitation.

ARTICLE 9
Beneficiary Designation

9.1 Beneficiary. Each Participant shall have the right, at any time, to designate his or her Beneficiary(ies) (both primary and contingent) to receive any benefits payable under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates.

9.2 Beneficiary Designation Change/Spousal Consent. A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form, and returning it to the Committee or its designated agent. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Committee's rules and procedures, as in effect from time to time. A Participant may name someone other than his or her spouse as a Beneficiary only if a spousal consent, in the form designated by the Committee, is signed by that Participant's spouse and returned to the Committee. Upon the acceptance by the Committee of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Committee shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Committee prior to his or her death. Notwithstanding anything in this Section or the Plan to the contrary, a Participant's designation of a spouse as a Beneficiary shall automatically be cancelled and revoked on the date a Participant's divorce from that spouse becomes final.

9.3 Acknowledgment. No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Committee or its designated agent.

9.4 No Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided in Sections 9.1, 9.2 and 9.3 above or, if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be his or her surviving spouse. If the Participant has no surviving spouse, the Participant's designated Beneficiary shall be deemed to be the Participant's estate.

9.5 Doubt as to Beneficiary. If the Committee has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Committee shall have the right, exercisable in its discretion, to cause the Company to withhold such payments until this matter is resolved to the Committee's satisfaction.

9.6 Discharge of Obligations. The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Committee from all further obligations under this Plan with respect to the Participant, and that Participant's Plan Agreement shall terminate upon such full payment of benefits.

ARTICLE 10
Leave of Absence

10.1 Paid Leave of Absence. If a Participant is authorized by the Participant's Employer for any reason to take a paid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and the Annual Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Article 3.

10.2 Unpaid Leave of Absence. If a Participant is authorized by the Participant's Employer for any reason to take an unpaid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and deferrals shall not be made, in the absence of compensation. Upon such expiration of the unpaid leave and resumption of entitlement to compensation, deferrals shall resume for the remaining portion of the Plan Year in which the return occurs, based on the deferral election, if any, made for that Plan Year. If no election was made for that Plan Year, no deferral shall be withheld.

ARTICLE 11
Termination/Amendment or Modification

11.1 Termination. Although the Company anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that the Company will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, the Company reserves the right to discontinue its sponsorship of the Plan and to terminate the Plan at any time with respect to any or all of its participating Employees and Directors, by action of its Board of Directors. Upon the termination of the Plan, the Plan Agreements of the affected Participants shall terminate and their Account Balances, determined as if they had experienced a Termination of Employment on the date of Plan termination or, if Plan termination occurs after the date upon which a Participant was eligible to Retire, then with respect to that Participant as if he or she had Retired on the date of Plan termination, shall be paid to the Participants as follows: Prior to a Change in Control, if the Plan is terminated with respect to all of its Participants, the Company shall have the right, in its sole discretion, and notwithstanding any elections made by the Participant, to pay such benefits in a lump sum or pursuant to an Annual Installment Method of up to ten (10) years, with amounts credited and debited during the installment period as provided herein. Prior to a Change in Control, if the Plan is terminated with respect to less than all of its Participants, the Company shall be required to pay such benefits in a lump sum. After a Change in Control, the Company shall be required to pay such benefits in a lump sum. The termination of the Plan shall not adversely affect any Participant or Beneficiary who has become entitled to the payment of any benefits under the Plan as of the date of termination; provided however, that the Company shall have the right to accelerate installment payments

without a premium or prepayment penalty by paying the Account Balance in a lump sum or pursuant to an Annual Installment Method using fewer years.

11.2 Amendment. The Company may, at any time, amend or modify the Plan in whole or in part by the action of the Committee ; provided, however, that: (i) no amendment or modification shall be effective to decrease or restrict the value of a Participant's Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Termination of Employment as of the effective date of the amendment or modification or, if the amendment or modification occurs after the date upon which the Participant was eligible to Retire, the Participant had Retired as of the effective date of the amendment or modification, (ii) no adverse amendment or modification shall be effective upon or after a Change in Control without the prior written consent of a majority of the Participants, and (iii) no amendment or modification of this Section 11.2 or Section 12.2 of the Plan shall be effective. The amendment or modification of the Plan shall not affect any Participant or Beneficiary who has become entitled to the payment of benefits under the Plan as of the date of the amendment or modification; provided, however, that the Employer shall have the right to accelerate installment payments by paying the Account Balance in a lump sum or pursuant to an Annual Installment Method using fewer years (provided that the present value of all payments that will have been received by a Participant at any given point of time under the different payment schedule shall equal or exceed the present value of all payments that would have been received at that point in time under the original payment schedule).

11.3 Plan Agreement. Despite the provisions of Sections 11.1 and 11.2 above, if a Participant's Plan Agreement contains benefits or limitations that are not in this Plan document, the Company may only amend or terminate such provisions with the consent of the Participant.

11.4 Effect of Payment. The full payment of the applicable benefit under Articles 4, 5, 6, 7 or 8 of the Plan shall completely discharge all obligations to a Participant and his or her designated Beneficiaries under this Plan and the Participant's Plan Agreement shall terminate.

ARTICLE 12
Administration

12.1 Committee Duties. Except as otherwise provided in this Article 12, this Plan shall be administered by the Compensation Committee of the Board, or such committee of delegates as the Compensation Committee of the Board shall appoint. The Committee shall also have the discretion and authority to (i) make, amend, interpret, and enforce all appropriate laws, rules and regulations for the administration of this Plan and (ii) decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with the Plan. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the

Committee shall be entitled to rely on information furnished by a Participant, the Company or any Employer.

12.2 Administration Upon Change In Control. For purposes of this Plan, the Company, acting through the Committee, shall be the "Administrator" at all times prior to the occurrence of a Change in Control. Upon and after the occurrence of a Change in Control, the "Administrator" shall be an independent third party selected by the Trustee and approved by the individual who, immediately prior to such event, was the Company's Chief Executive Officer or, if not so identified, the Company's highest ranking officer (the "Ex-CEO"). The Administrator shall have the discretionary power to determine all questions arising in connection with the administration of the Plan and the interpretation of the Plan and Trust including, but not limited to benefit entitlement determinations; provided, however, upon and after the occurrence of a Change in Control, the Administrator shall have no power to direct the investment of Plan or Trust assets or select any investment manager or custodial firm for the Plan or Trust. Upon and after the occurrence of a Change in Control, the Company must: (1) pay all reasonable administrative expenses and fees of the Administrator; (2) pursuant to Section 12.5, indemnify the Administrator against any costs, expenses and liabilities including, without limitation, attorney's fees and expenses arising in connection with the performance of the Administrator hereunder, except with respect to matters resulting from the gross negligence or willful misconduct of the Administrator or its employees or agents; and (3) pursuant to Section 12.6, supply full and timely information to the Administrator or all matters relating to the Plan, the Trust, the Participants and their Beneficiaries, the Account Balances of the Participants, the date of circumstances of the Retirement, Disability, death or Termination of Employment of the Participants, and such other pertinent information as the Administrator may reasonably require. Upon and after a Change in Control, the Administrator may be terminated (and a replacement appointed) by the Trustee only with the approval of the Ex-CEO. Upon and after a Change in Control, the Administrator may not be terminated by the Company.

12.3 Agents. In the administration of this Plan, the Committee and the Administrator may, from time to time, employ agents and delegate to them such of their respective administrative duties as they see fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer.

12.4 Binding Effect of Decisions. The decisions or actions of the Committee, the Administrator and/or their respective delegates, with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

12.5 Indemnity of Committee. All Employers shall indemnify and hold harmless the members of the Committee, and any Employee to whom the duties of the Committee may be delegated, and the Administrator against any and all claims, losses, damages, expenses or liabilities arising

from any action or failure to act with respect to this Plan, except in the case of willful misconduct by the Committee, any of its members, any such Employee or the Administrator.

12.6 Employer Information. To enable the Committee and Administrator to perform their respective functions, the Company and each Employer shall supply full and timely information to the Committee or Administrator, as the case may be, on all matters relating to the compensation of its Participants, the date and circumstances of the Retirement, Disability, death or Termination of Employment of its Participants, and such other pertinent information as the Committee or Administrator may reasonably require.

ARTICLE 13
Other Benefits and Agreements

13.1 Coordination with Other Benefits. The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

ARTICLE 14
Claims Procedures

14.1 Presentation of Claim. Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Committee a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within 60 days after such notice was received by the Claimant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

14.2 Notification of Decision. The Committee shall consider a Claimant's claim within a reasonable time, and shall notify the Claimant in writing:

(a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or

(b) that the Committee has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:

(i) the specific reason(s) for the denial of the claim, or any part of it;

(ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;

(iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and

(iv) an explanation of the claim review procedure set forth in Section 14.3 below.

14.3 Review of a Denied Claim. Within 60 days after receiving a notice from the Committee that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Committee a written request for a review of the denial of the claim. Thereafter, but not later than 30 days after the review procedure began, the Claimant (or the Claimant's duly authorized representative):

(a) may review pertinent documents;

(b) may submit written comments or other documents; and/or

(c) may request a hearing, which the Committee, in its sole discretion, may grant.

14.4 Decision on Review. The Committee shall render its decision on review promptly, using an abuse of discretion standard of review, and shall render its decision not later than 60 days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Committee's decision must be rendered within 120 days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

(a) specific reasons for the decision;

(b) specific reference(s) to the pertinent Plan provisions upon which the decision was based; and

(c) such other matters as the Committee deems relevant.

14.5 Legal Action. A Claimant's compliance with the foregoing provisions of this Article 14 is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under this Plan.

ARTICLE 15
Trust

15.1 Establishment of the Trust. The Company may establish the Trust, and each Employer may transfer over to the Trust such assets as the Employer determines, in its sole discretion, to provide for its respective future liabilities created with respect to the Annual Deferral Amounts and Annual Company Contribution Amounts, for such Employer's Participants for all periods prior to the transfer, as well as any debits and credits to the Participants' Account Balances for all periods prior to the transfer, taking into consideration the value of the assets in the trust at the time of the transfer.

15.2 Interrelationship of the Plan and the Trust. The provisions of the Plan and the Plan Agreement shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Employers, Participants and the other creditors of the Employers to the assets transferred to the Trust. Each Employer shall at all times remain liable to carry out its obligations under the Plan.

15.3 Distributions From the Trust. Each Employer's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer's obligations under this Plan.

15.4 Investment of Trust Assets. The Trustee of the Trust shall be authorized, upon written instructions received from the Committee or investment manager appointed by the Committee, to invest and reinvest the assets of the Trust in accordance with the applicable Trust Agreement,

ARTICLE 16
Miscellaneous

16.1 Status of Plan. The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent. The Plan is an unfunded, nontax-qualified, individual account, profit sharing plan. Plan benefits shall only accrue immediately before they are paid and may be paid directly by the Company. A person entitled to benefits shall be entitled to receive distributions at the time otherwise provided under the Plan if he or she consents in writing to the distribution within 90 days before it is made. Failing such consent, the distribution shall be delayed to such later date as the person elects. In this case, the amounts otherwise payable shall be deposited at the earliest time otherwise payable with the consent of the person, less taxes required to be withheld, in a brokerage house account for the benefit of that person, and

invested as the person directs. However, this account shall be owned by a trustee appointed by the Plan Administrator, who shall transfer ownership of the account to the person on or after his or her 60th birthday. By electing to contribute to this Plan, each Participant acknowledges that this Plan is subject to ERISA but exempted from all of ERISA's substantive requirements because it is a "top hat plan," acknowledges that the Company would not have implemented or continued this Plan but for its good faith belief that it is a top hat plan, agrees that all Plan benefits shall be contingent on the Plan being a top hat plan and promises never to assert otherwise.

16.2 Unsecured General Creditor. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of an Employer. For purposes of the payment of benefits under this Plan, the Employer's assets shall be, and remain, neither pledged nor restricted under or as a result of this Plan. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

16.3 Employer's Liability. An Employer's liability for the payment of benefits shall be defined only by the Plan and the Plan Agreement, as entered into between the Employer and a Participant. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan and his or her Plan Agreement.

16.4 Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

16.5 Not a Contract of Employment. The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between any Employer and the Participant. Such employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, except to the extent expressly provided in a written employment agreement, if any. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of any Employer or to interfere with the right of any Employer to discipline or discharge the Participant at any time.

16.6 Furnishing Information. A Participant or his or her Beneficiary, as a condition to entitlement to benefits hereunder, shall cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder,

including but not limited to taking such physical examinations as the Committee may deem necessary.

16.7 Terms. Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

16.8 Captions. The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

16.9 Governing Law. Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of California without regard to its conflicts of laws principles.

16.10 Notice. Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

Amgen Inc. Nonqualified
Deferred Compensation Plan
Committee

Amgen, Inc.

One Amgen Center Drive

Thousand Oaks, CA 91320-1799

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last address of the Participant shown on the records of the Company.

16.11 Successors. The provisions of this Plan shall bind and inure to the benefit of the Participant's Employer and its successors and assigns and the Participant and the Participant's designated Beneficiaries.

16.12 Spouse's Interest. The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.

16.13 Validity. In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

16.14 Incompetent. If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

16.15 Court Order. The Committee is authorized to cause the Company or any Employer to make any payments directed by court order in any action in which the Plan or the Committee has been named as a party. In addition, if a court determines that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan in connection with a property settlement or otherwise, the Committee, in its sole discretion, shall have the right, notwithstanding any election made by a Participant, to immediately cause the Company or any Employer to distribute the spouse's or former spouse's interest in the Participant's benefits under the Plan to that spouse or former spouse.

16.16 Distribution in the Event of Taxation.

(a) In General. If, for any reason, all or any portion of a Participant's benefits under this Plan becomes taxable to the Participant prior to receipt, a Participant may petition the Committee before a Change in Control, or the trustee of the Trust after a Change in Control, for a distribution of that portion of his or her benefit that has become taxable. Upon the grant of such a petition, which grant shall not be unreasonably withheld (and, after a Change in Control, shall be granted), a Participant's Employer shall distribute to the Participant immediately available funds in an amount equal to the taxable portion of his or her benefit (which amount shall not exceed a Participant's unpaid Account Balance under the Plan). If the petition is granted, the tax liability distribution shall be made within 90 days of the date when the Participant's petition is granted. Such a distribution shall affect and reduce the benefits to be paid under this Plan.

(b) Trust. If the Trust terminates in accordance with its terms and benefits are distributed from the Trust to a Participant in accordance with that Section, the Participant's Account, and accordingly the benefits under this Plan, shall be reduced to the extent of such distributions.

16.17 Insurance. The Employers, on their own behalf or on behalf of the trustee of the Trust, and, in their sole discretion, may apply for and procure insurance on the life of the Participants, in such

amounts and in such forms as the Trust may choose. The Employers or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participants shall have no interest whatsoever in any such policy or policies, and at the request of the Employers shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Employers have applied for insurance.

16.18 Legal Fees To Enforce Rights After Change in Control. The Company and each Employer is aware that upon the occurrence of a Change in Control, the Board or the board of directors of a Participant's Employer (which might then be composed of new members) or a shareholder of the Company or the Participant's Employer, or of any successor corporation might then cause or attempt to cause the Company, the Participant's Employer or such successor to refuse to comply with its obligations under the Plan and might cause or attempt to cause the Company or the Participant's Employer to institute, or may institute, litigation seeking to deny Participants the benefits intended under the Plan. In these circumstances, the purpose of the Plan could be frustrated. Accordingly, if, following a Change in Control, it should appear to any Participant that the Company, the Participant's Employer or any successor corporation has failed to comply with any of its obligations under the Plan or any agreement thereunder or, if the Company, such Employer or any other person takes any action to declare the Plan void or unenforceable or institutes any litigation or other legal action designed to deny, diminish or to recover from any Participant the benefits intended to be provided, then the Company and the Participant's Employer irrevocably authorize such Participant to retain counsel of his or her choice at the expense of the Company and the Participant's Employer (who shall be jointly and severally liable) to represent such Participant in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company, the Participant's Employer or any director, officer, shareholder or other person affiliated with the Company, the Participant's Employer or any successor thereto in any jurisdiction. Notwithstanding anything in this Section or the Plan to the contrary, the Company and/or the Participant's Employer shall have no obligation under this Section to the extent there is a judicial determination or final arbitration decision that the litigation or other legal action brought by the Participant is frivolous.

IN WITNESS WHEREOF, the Company has signed this Plan document as of 02/01, 2002.

"Company"

Amgen Inc., a Delaware corporation

By: /s/ Brian M. McNamee

Title: Sr. Vice President, Human Resources

EXHIBIT 21

AMGEN INC.

SUBSIDIARY (Name under which subsidiary does business)	STATE OF INCORPORATION OR ORGANIZATION
Amgen Puerto Rico, Inc.	Delaware
Amgen International, Inc.	Delaware
Amgen Manufacturing, Limited	Bermuda