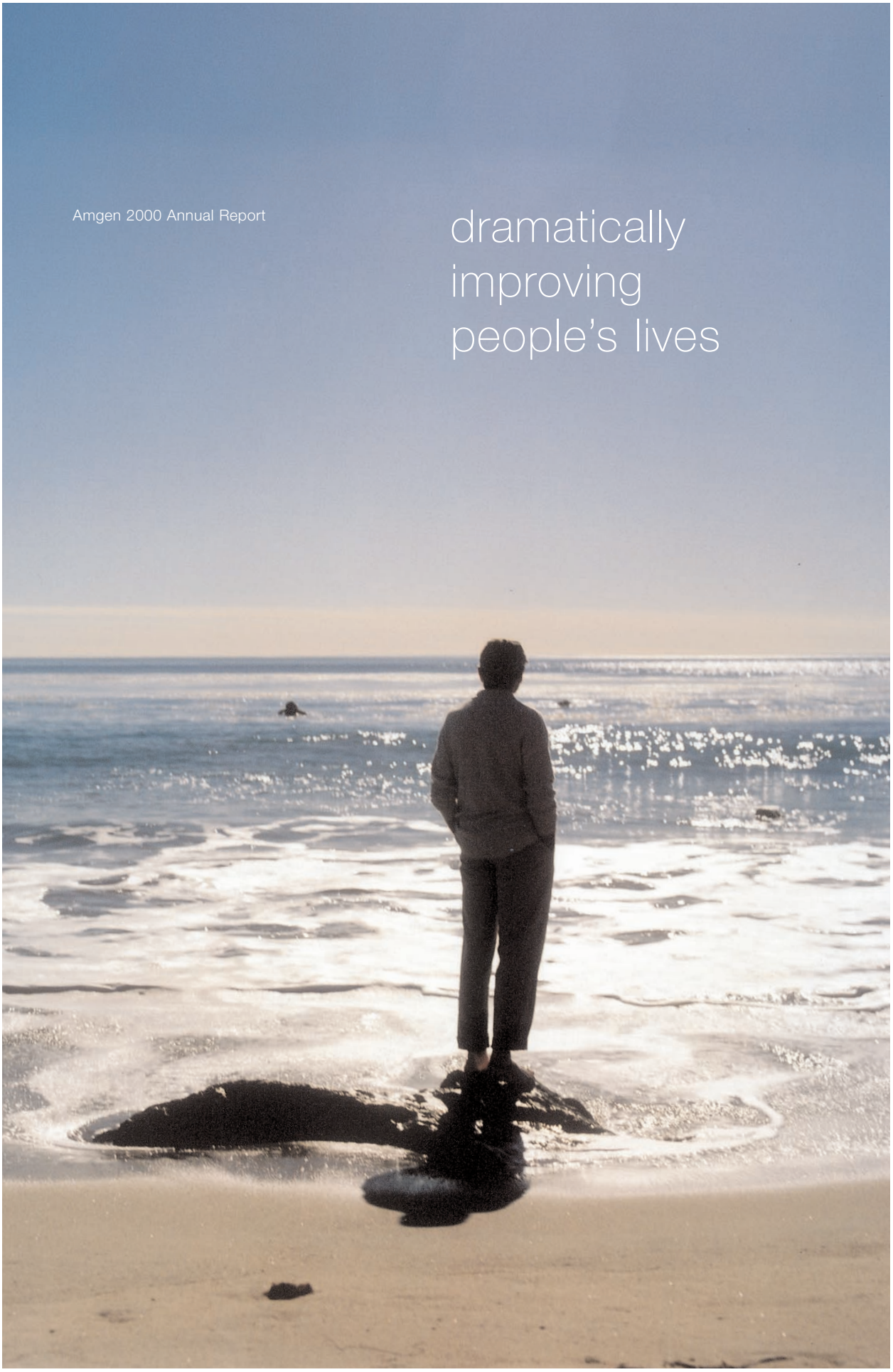
Amgen 2000 Annual Report

dramatically improving people's lives

vitality
freedom
determination
confidence
independence
agility

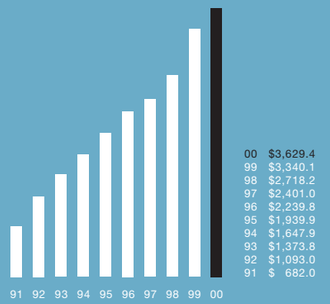


Contents

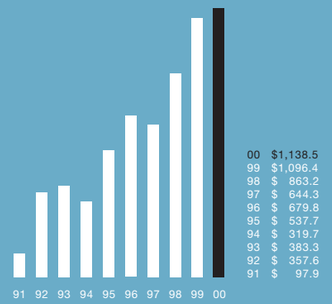
We aspire to be the best human therapeutics company. We will live the Amgen Values and use science and innovation to dramatically improve people's lives.

Selected Financial Information

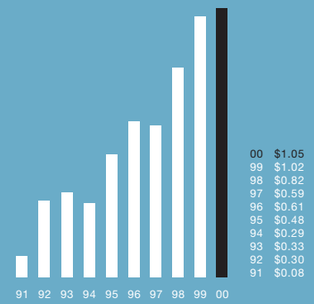
Total Revenues
($ in millions)



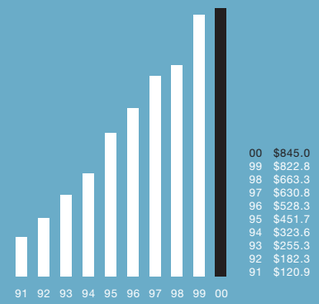
Net Income
($ in millions)



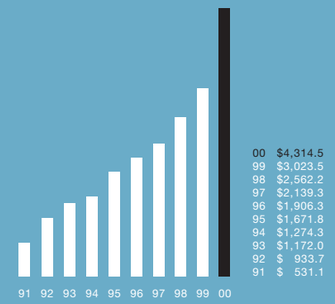
Diluted EPS



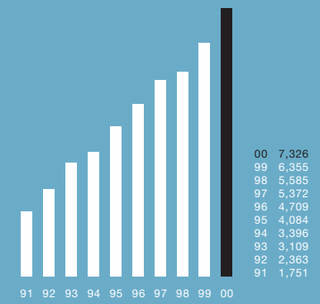
Research and Development Expenses
($ in millions)



Stockholders' Equity
($ in millions)



Amgen Staff



Consolidated Statement of Operations Data

(In millions, except per share data)

Years ended December 31,	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Revenues:										
Product sales[1]	$ 3,202.2	$ 3,042.8	$ 2,514.4	$ 2,219.8	$ 2,088.2	$ 1,818.6	$ 1,549.6	$ 1,306.3	$ 1,050.7	$ 645.3
Other revenues	427.2	297.3	203.8	181.2	151.6	121.3	98.3	67.5	42.3	36.7
Total revenues	3,629.4	3,340.1	2,718.2	2,401.0	2,239.8	1,939.9	1,647.9	1,373.8	1,093.0	682.0
Research and development expenses	845.0	822.8	663.3	630.8	528.3	451.7	323.6	255.3	182.3	120.9
Selling, general, and administrative expenses	826.9	654.3	515.4	483.8	470.6	418.4	359.8	328.4	292.2	202.6
Other items, net[2]	(18.8)	(49.0)	(23.0)	157.0	—	—	116.4	(13.9)	(77.1)	129.1
Net income	1,138.5	1,096.4	863.2	644.3	679.8	537.7	319.7	383.3	357.6	97.9
Diluted earnings per share	1.05	1.02	0.82	0.59	0.61	0.48	0.29	0.33	0.30	0.08
Cash dividends per share	—	—	—	—	—	—	—	—	—	—

Consolidated Balance Sheet Data

(In millions)

At December 31,	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Total assets	$ 5,399.6	$ 4,077.6	$ 3,672.2	$ 3,110.2	$ 2,765.6	$ 2,432.8	$ 1,994.1	$ 1,765.5	$ 1,374.3	$ 865.5
Long-term debt	223.0	223.0	223.0	229.0	59.0	177.2	183.4	181.2	129.9	39.7
Stockholders' equity	4,314.5	3,023.5	2,562.2	2,139.3	1,906.3	1,671.8	1,274.3	1,172.0	933.7	531.1

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

[2] Amounts primarily comprised of benefits and expenses related to various legal proceedings. The amounts in 2000 and 1994 include write-offs of acquired in-process research and development of $30.1 million and $116.4 million, respectively. The amount in 2000 also includes a charitable contribution of $25 million to the Amgen Foundation. See Notes 4 and 11 to the Consolidated Financial Statements for a discussion of the amounts in 2000, 1999, and 1998. Other items, net, increased/(decreased) earnings per share by $0.00 in 2000, $0.03 in 1999, $0.01 in 1998, ($0.09) in 1997, ($0.10) in 1994, $0.01 in 1993, $0.04 in 1992, and ($0.08) in 1991.

DEAR FELLOW SHAREHOLDER:

Amgen Values
- Be science-based
- Work in teams
- Compete intensely and win
- Create value for patients, staff, and stockholders
- Trust and respect each other
- Collaborate, communicate, and build consensus
- Ensure quality
- Be ethical

The year 2000 was one of accomplishment and growth for Amgen, and the future has never looked more promising. This year is off to a great start with our recent victory in the Aventis/TKT litigation regarding erythropoietin in the U.S. District Court. In the next five years, we hope to more than double the size of the company in terms of revenues and products on the market. We also will substantially expand the number of patients we serve and the size of Amgen's staff. There are challenges, to be sure, in meeting our goals, but we are confident that we have the people, the strategy, and the resources necessary to make our future even brighter than our past.

Reviewing the significant progress Amgen made toward each of the six goals established by our executive management team after I became CEO last May provides a good summary of our recent progress and plans for the future.

The first goal was to align the company around a shared aspiration built from a common set of values. We reaffirmed our commitment to eight fundamental Amgen values developed several years ago: be science-based; work in teams; compete intensely and win; create value for patients, staff, and stockholders; trust and respect each other; collaborate, communicate, and build consensus; ensure quality; and be ethical.

As a company, we also worked hard to develop a shared aspiration. The pace of scientific innovation and medical understanding is accelerating every day, making a technology-based foundation too limiting for us. At the same time, the competitive landscape is changing as the industry restructures and competition for innovative therapeutics increases in intensity. In the face of these and other changes, we strongly agreed—as a company—that one approach would serve us enduringly: *focus our efforts on using science and innovation to dramatically improve people's lives.* Broadening this thought, we agreed on a shared aspiration to become the world's best human therapeutics company.

There is no single definition that captures what we mean by "best." We know it includes delivering a stream of innovative products that dramatically improve people's lives, being a place where the best people choose to work, and outperforming our peers in delivering value to shareholders. By adopting such a broad aspiration, we are committing ourselves fully to improving continuously along every important dimension of Amgen's activities.

The second goal was to prepare to launch a stream of new products beginning in 2001, with a particular focus on ARANESP™ (darbepoetin alfa). Depending upon regulatory approvals, we could launch four new products in the next 18 months — ARANESP™, anakinra, abarelix-depot, and SD/01. That is why we have spent heavily on clinical development to ensure our products' characteristics are widely and thoroughly tested and documented. We have prepared and submitted regulatory filings around the world to obtain the fastest and best approvals possible. We have worked hard to understand physicians' and other providers' attitudes to be sure our messages will be persuasive and reimbursement will be available, and we have built new field forces to ensure that our voice is heard.

We believe ARANESP™ represents a new standard of care for treating anemia in chronic renal failure, and in other settings. Amgen is determined to become the world leader in treating patients with all types of anemia, one of the most under-recognized and under-treated of diseases. We estimate the worldwide anemia market could be as large as $10 billion by 2005. Introducing ARANESP™ globally gives it the potential to be Amgen's biggest product ever.

Anakinra, interleukin-1 receptor antagonist (IL-1ra), is the cornerstone of our inflammation franchise. We estimate the market for biological therapies in rheumatoid arthritis could

Kevin W. Sharer
Chairman,
Chief Executive Officer,
and President

reach $3 billion by 2005. Anakinra is unique in that it will be the only therapy that mitigates inflammation and reverses or reduces joint destruction by specifically blocking IL-1, a pivotal cytokine.

Abarelix-depot is a prostate cancer treatment with a novel mechanism of action that will distinguish it from other available therapies. In clinical trials, abarelix-depot rapidly reduces testosterone and follicle-stimulating hormone levels without the troubling testosterone surge associated with other treatments. Abarelix-depot will compete in the hormonal therapy market for prostate cancer estimated to reach $1.5 billion by 2005 and is expected to be an important addition to our oncology franchise.

SD/01 is a longer-acting and therefore a less-frequently administered form of NEUPOGEN® (Filgrastim). We expect SD/01 to help more people successfully get through chemotherapy and stay out of the hospital by making protection from infection simpler with a once-per-cycle, "one-size-fits-all" configuration. Phase 3 trials of SD/01 have been completed, and we expect to file for regulatory approval of this therapy in the first half of 2001.

Our third goal was to expand our research and development capabilities, and grow and advance the product pipeline. R&D is the core of Amgen, and we made good progress in expanding our activities. We defined more clearly where to direct our discovery resources, added significant talent and leadership to our scientific and medical staffs, and grew our pipeline. Our core technology base is in large molecules. Our plan is both to protect and enhance this strength, by expanding to monoclonal antibody therapeutics, while continuing to grow our small molecule capabilities. We believe this three-modality approach is the one that best enables Amgen to capitalize on the increased understanding of disease mechanisms and therapeutic targets emerging in the postgenomic era.

Our acquisition of Kinetix Pharmaceuticals was an important step in continuing to build our small molecule capabilities. Choosing disease areas around which to cluster our product development activities was another important step. Increasing our R&D spending to nearly $1 billion in 2001, up from approximately $850 million in 2000, is yet another key toward achieving this goal.

We are very pleased with our pipeline progress. One product application was filed in the U.S., and applications for two products were filed in the European Union, Canada, Australia, and New Zealand. We started, or made the decision to start, four registration trials and received one line extension. One new product candidate already in clinical development was in-licensed, and we in-licensed or acquired another eight research and preclinical projects. We plan in 2001 to begin five new product-registration and label-extension trials and file two new-product or label-extension applications in the U.S. and other countries. Also, we continue aggressive efforts to acquire product opportunities from outside Amgen.

Goal four was to strengthen our organization capabilities and help our staff grow professionally. We did this with the addition of Roger Perlmutter, MD, PhD, as executive vice president of Research and Development and George Morrow as executive vice president of Worldwide Sales and Marketing. Roger Perlmutter formerly was executive vice president of Worldwide Basic Research and Preclinical Development for Merck Research Laboratories. George Morrow formerly was president and CEO of GlaxoWellcome, North America. We also hired several additional executives with broad industry experience in research and development at the vice president level.

Despite these additions, we have more work to do in the area of developing our staff. The Executive Committee is focusing more time and effort on this issue than ever before, and I expect to be able to report significant progress on this

Accomplishments

- Received favorable judgement in patent litigation relating to erythropoietin
- Completed a phase 3 clinical trial in Europe of ARANESP™ (darbepoetin alfa) in patients with solid tumors and anemia
- Completed phase 3 clinical trials for abarelix-depot in patients with prostate cancer, and the license application was submitted to the FDA
- Successfully completed phase 3 clinical trials of SD/01 in patients with cancer
- Submitted the license application in Europe for IL-1ra in patients with rheumatoid arthritis
- In-licensed epratuzumab, a monoclonal antibody that may be a potential treatment for patients with non-Hodgkin's lymphoma
- Enhanced our small molecule capabilities through the acquisition of Kinetix
- Sales and Marketing teams prepared for the launch of ARANESP™ and other late-stage product candidates
- Received FDA licensing of our Longmont, Colorado, manufacturing facility

front in next year's annual report. Another area in which we need to make greater progress is diversity. We have made some progress—for example, we now have eight women vice presidents, up from three a year ago. But we are redoubling our efforts and taking a more broad-based and energetic approach to fully tap the potential of the widest range of possible contributors to Amgen's work. We are committed to making advances in this area.

Our fifth goal was to be successful in the Aventis/TKT erythropoietin patent litigation. We won in the U.S. District Court thanks to a magnificent effort by our legal team, led by General Counsel Steve Odre and Vice President of Intellectual Property Stuart Watt. This successful defense of our intellectual property was important, not only for Amgen but for our entire industry.

Goal six was to deliver on our short-term financial promises and, at the same time, invest wisely for the future. Amgen has an outstanding record in providing value to shareholders, and we are working hard to continue to deliver. We achieved our profit targets in 2000 even though U.S. NEUPOGEN® sales were somewhat short of expectations. NEUPOGEN® is used in support of patients undergoing chemotherapy, and some changes in chemotherapy usage patterns have resulted in less NEUPOGEN® usage in those settings. However, overall, more patients than ever are receiving NEUPOGEN®, and we expect NEUPOGEN® sales to grow this year.

As I write this letter today, Amgen's stock price has grown by 12 percent in the last twelve months while stocks in general have performed worse, with the S&P 500 declining by 13 percent. As we now prepare to launch ARANESP™, I recall the historic day in December 1998 when arbitrators affirmed Amgen's exclusive rights to ARANESP™. Since that day, Amgen's stock price has increased by 195 percent versus the performance of the S&P 500, which increased by 1 percent.

Looking forward, sales and earnings are expected to accelerate beginning in 2001, fueled by new product launches. By 2005, five or more new products may be launched that could drive product sales to the $8 to 9 billion range.

Don Rice and Paul Reason recently joined our board, bringing a wealth of industry and government experience. At the same time, Gordon Binder, our CEO from October 1988 to May 2000, has retired and left our board. Gordon's dedication to the company and our purpose was unmatched, and all the people at Amgen deeply appreciate his tireless efforts and the extraordinary results Amgen achieved under his leadership.

Kevin W. Sharer

Chairman,
Chief Executive Officer,
and President

March 13, 2001

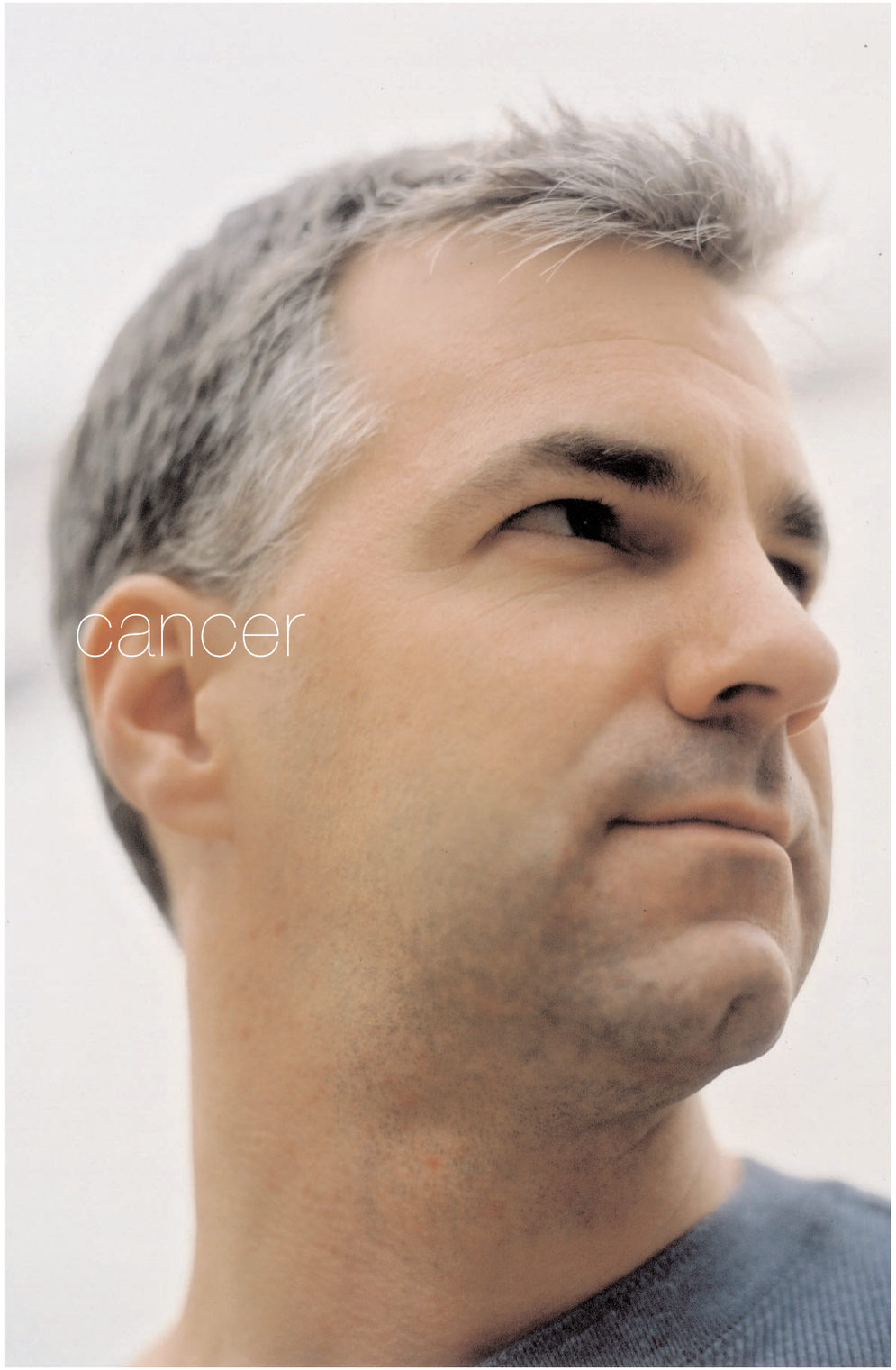
launching a stream of products that will dramatically improve people's lives

chronic kidney disease

Danielle
End-Stage
Renal
Disease

Treatment gives Danielle the vitality and freedom to live more actively, which includes enjoying her grandson more.

vitality freedom



cancer

Jeff
Non-Hodgkin's
Lymphoma

Focused on completing his treatments, Jeff also is determined and confident that he will soon get back to the ballpark with his son.

determination
confidence

Janis
Rheumatoid
Arthritis

Janis hopes that treatment will give her agility and independence for those special morning visits with not only her mom but also her own daughter.

CHRONIC KIDNEY DISEASE

EPOGEN® (Epoetin alfa)
End-Stage Renal Disease Patients
Anemia

It is believed that more than 3 million people in the United States have signs of chronic kidney disease. The approximately 250,000 of these people whose disease has progressed to kidney failure must undergo regular dialysis treatments to remove wastes from their blood. These patients have a condition known as end-stage renal disease (ESRD).

Nearly 12 years ago, Amgen's first product, EPOGEN®, revolutionized the treatment of anemia for ESRD patients undergoing dialysis. EPOGEN® supplements dialysis patients' inadequate supply of erythropoietin, a protein produced by the kidneys to stimulate oxygen-carrying red blood cell supply. Appropriate anemia management lessens fatigue, improves cognitive and physical functioning, and has allowed many dialysis patients to regain the vitality and freedom to participate more actively in life, without the need for blood transfusions.

Amgen's late-stage product candidate, ARANESP™ (darbepoetin alfa), may represent an important advance for anemic patients with chronic kidney disease. Through molecular engineering, Amgen scientists developed ARANESP™ to permit less-frequent dosing than EPOGEN®.

Just as important, because we have retained exclusive rights for ARANESP™, Amgen may be able to work with doctors earlier to help simplify anemia management for many more patients in the U.S. and around the world. If approved by regulatory agencies, doctors may start treating anemia from chronic kidney disease with ARANESP™ early in the disease's progression, before patients require dialysis treatment. This early stage of kidney disease is known as chronic renal insufficiency (CRI).

Of the more than 3 million patients with chronic kidney disease in the U.S., more than 1 million patients have CRI, and 350,000 of these patients with CRI could be anemic. Only a small proportion of these patients are treated for their anemia, despite a growing awareness that when there are fewer circulating red blood cells the heart has to work harder and that this condition may result in cardiovascular disease. The potential benefit of less frequent dosing may allow more of these patients to have their anemia treated.

Amgen is now introducing a program called the Renal Anemia Management Period (RAMP) to nephrologists, the doctors who manage kidney disease patients. RAMP helps doctors identify anemic patients with CRI sooner and manage their anemia earlier. Additionally, Amgen is supporting the development of guidelines by the National Kidney Foundation for the treatment of all stages of kidney disease —the Kidney Disease Outcomes Quality Initiative (KDOQI). We believe that earlier treatment of anemia could have important benefits for patients.

A further complication for patients with chronic kidney failure is the development of secondary hyperparathyroidism. In patients with this condition, the parathyroid glands detect low levels of calcium and increase production of parathyroid hormone (PTH) — the most important regulator of body calcium. Abnormally high levels of PTH may result in many complications, including weak bones and abnormal calcium deposits in blood vessels and other soft tissues.

Amgen's calcimimetics program may offer benefits to patients with chronic kidney disease and secondary hyperparathyroidism. Encouraging data from phase 2 studies, published in the past year, suggest that treatment with small-molecule calcimimetics results in dose-dependent decreases in PTH levels and may provide effective reduction of calcium levels.

Amgen is proud to be developing and delivering important therapeutics to growing numbers of patients worldwide and is dedicated to remaining at the forefront of renal care.

Dr. Allen Nissenson, MD
Professor of Medicine, Director, Dialysis Program
UCLA School of Medicine
Chair, Amgen Nephrology National Advisory Board

"The best way to illustrate the remarkable breakthrough for dialysis patients that EPOGEN® has been is to relate a story about one of my patients.

Congenital malformations in his urinary tract led to kidney failure when he was 14. He then started hemodialysis. Two years later he received a cadaveric kidney transplant. But after one year of slow rejection, he returned to hemodialysis. At age 19, he moved to Los Angeles and was struggling to graduate from high school. On top of kidney failure, he was severely anemic. Without blood transfusions his hemoglobin was 7.0-8.0 g/dL; twice that level would have been normal for his age. To have enough energy to go to school and concentrate on his work, he required two to three blood transfusions monthly. Even with these, his hemoglobin rarely was higher than 10 g/dL.

In 1986 he agreed to participate in the phase 3 clinical trial with Epoetin alfa. Within 12 weeks of starting, his hemoglobin was 12 g/dL, and he said he felt as well as he had before his kidneys failed. He has since received no blood transfusions, although he has continued with hemodialysis. In 1991 he had hip replacement surgery to repair damage done by the high doses of steroids he had received during his kidney transplant experience. Prior to surgery, he donated two units of his own blood, to be held in the blood bank. What a remarkable reversal—from requiring blood transfusions just to get by to donating his own blood prior to surgery! His hip replacement was successful. He went on to get his bachelor's degree in accounting and is now a practicing CPA. Just last year he was married.

This story illustrates the huge contribution EPOGEN® has made to the lives of kidney patients. ARANESP™, by requiring less frequent administration, may be another significant step forward in the treatment of anemia in patients with kidney disease."

CANCER

NEUPOGEN® (Filgrastim)
Chemotherapy Patients
Neutropenia

Each year, more than 1 million people are diagnosed with cancer in the United States alone. Since 1991, Amgen's NEUPOGEN® has helped patients with cancer undergoing myelosuppressive chemotherapy battle one of the treatment's serious possible side effects—a reduction in white blood cells called neutrophils. Neutropenia—the resulting condition—can lead to infection and to delays in chemotherapy delivery. In the past year, Amgen made significant progress with three additional product candidates that may lessen some of the serious side effects associated with chemotherapy treatment.

Pivotal clinical trials of SD/01 were completed in women with breast cancer. This innovative product candidate is a sustained duration form of NEUPOGEN®. If approved by regulatory agencies, SD/01 may benefit patients by permitting less-frequent dosing than the current daily dosing of NEUPOGEN®. SD/01 may be effective given as infrequently as once per cycle of myelosuppressive chemotherapy. Chemotherapy cycles are often scheduled every three to four weeks. As a result, patients may benefit from protection from infections, as manifested by fever and neutropenia.

ARANESP™ (darbepoetin alfa), in addition to its potential use in kidney disease treatment, is being evaluated for treatment of cancer-related anemia. Many patients with cancer suffer from anemia. This anemia may be caused by the cancer itself or may be a side effect of chemotherapy. Phase 2 clinical trials suggest that treatment with ARANESP™ of patients with cancer-related anemia may be effective given once weekly or once every three weeks.

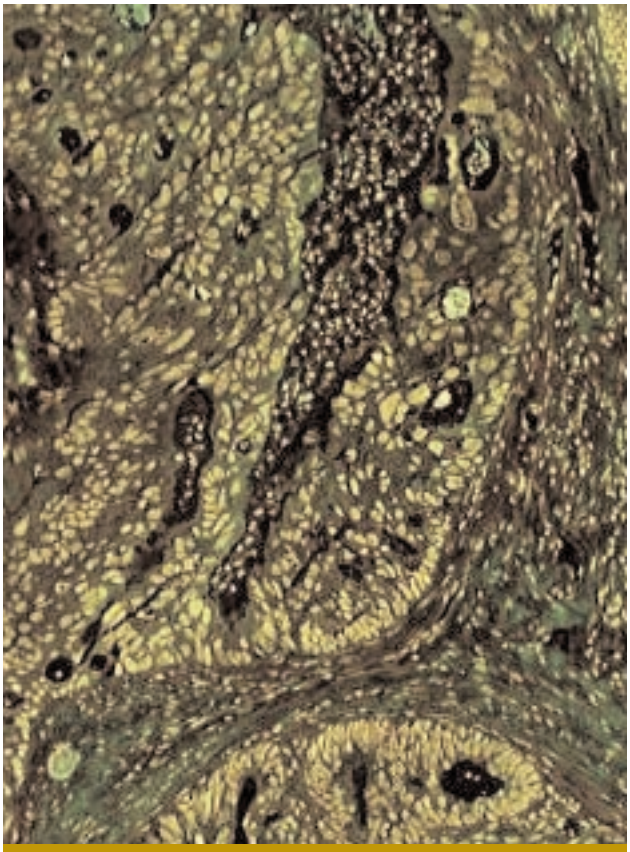
Cancer treatments such as chemotherapy and radiotherapy are also often toxic to the mucosal cells lining the mouth and the gastrointestinal tract, resulting in ulceration of the mucosal lining—mucositis. This condition results in painful sores in the mouth and along the length of the gastrointestinal tract that may prevent patients from eating. Patients frequently require pain medication and have reduced quality of life. Another of Amgen's product candidates, keratinocyte growth factor (KGF), is a recombinant form of a naturally-occurring growth factor that stimulates the development of mucosal cells. Early clinical trials suggest KGF may offer benefit for patients who experience mucositis following chemotherapy and radiotherapy.

Amgen is now broadening its cancer franchise to include the discovery and development of novel cancer therapeutics to target and eradicate tumor cells.

Abarelix-depot, the first long-acting gonadotrophin-releasing hormone antagonist, is a potential cancer therapeutic that Amgen licensed from Praecis Pharmaceuticals in 1999. Researchers from Amgen and Praecis are collaborating on the development of abarelix-depot to treat men with prostate cancer, aiming to limit cancer cell stimulation by lowering testosterone levels. Abarelix-depot is currently under regulatory review for the treatment of patients with prostate cancer and also is being studied in women with endometriosis, a commonly occurring, painful, and potentially debilitating pelvic disorder affecting women of childbearing age.

In the past year, Amgen licensed a novel cancer therapeutic antibody, epratuzumab, from Immunomedics. Epratuzumab is currently being evaluated for its ability to treat indolent (low grade) and aggressive non-Hodgkin's lymphoma (NHL). In NHL, cells in the lymphatic system become abnormal. NHL can start in any of the many parts of the body where there is lymphatic tissue and spread to almost any part of the body.

These efforts illustrate Amgen's continued dedication to improving the lives of patients with cancer.



Colorized micrograph of colon cancer, prepared following surgical resection.

Bob Radinsky, PhD
Preclinical Cancer Researcher
Amgen

"Amgen is committed to turning the unprecedented possibilities of science into the realities of therapeutic cancer treatment. It's a commitment supported by Amgen's substantial resources in areas ranging from exploratory research and cancer biology to clinical oncology and development. Fulfilling Amgen's aspiration to be the best human therapeutics company demands more than the success we have had in cancer supportive care. It demands that we produce solutions that make us the therapeutic partner of choice in cancer treatment. This is why I recently left academia to join Amgen.

Amgen uses a broad spectrum of approaches to develop cancer therapeutics, including small molecule, antibody, and protein approaches. Supporting this work, the company has made major investments in genomics, proteomics, gene expression analysis, small molecule science, antibody technologies, and kinase biology. Our researchers work closely with Amgen's preclinical and clinical oncology groups to expedite the development of novel cancer therapies. All researchers likewise support the in-licensing of exciting new cancer therapeutic candidates.

Before joining Amgen, I worked for 11 years as a tenured cancer researcher at the University of Texas M.D. Anderson Cancer Center. My work there focused on host/tumor interactions mediating tumor cell survival, growth, and angiogenesis during the spread of cancer cells to distant organs in the body.

The opportunity to continue my translational cancer research at a science-based company with a clear commitment to targeted cancer therapeutics was, simply, too great to pass up. As a PhD molecular and cellular cancer biologist who has worked in all aspects of cancer research (from laboratory bench to bedside), I have sworn to helping patients first. Working at Amgen, I believe I can help more patients than in any other way."

RHEUMATOID ARTHRITIS

More than 6 million people worldwide have rheumatoid arthritis (RA), a systemic disease that commonly involves inflammation of small joints with bone and cartilage destruction. This course of the disease eventually may lead to disability and decreased life expectancy.

In RA, the inflamed joint lining may invade and damage bone and cartilage, while inflammatory proteins stimulate the release of enzymes that actually digest bone and cartilage. This results in loss of shape and alignment of the joint, pain, and reduced mobility. X-rays of patients with rheumatoid arthritis show that the most rapid deterioration of joint function often occurs within the first few years of the disease, leaving a small window of opportunity for intervention before irreversible damage may occur.

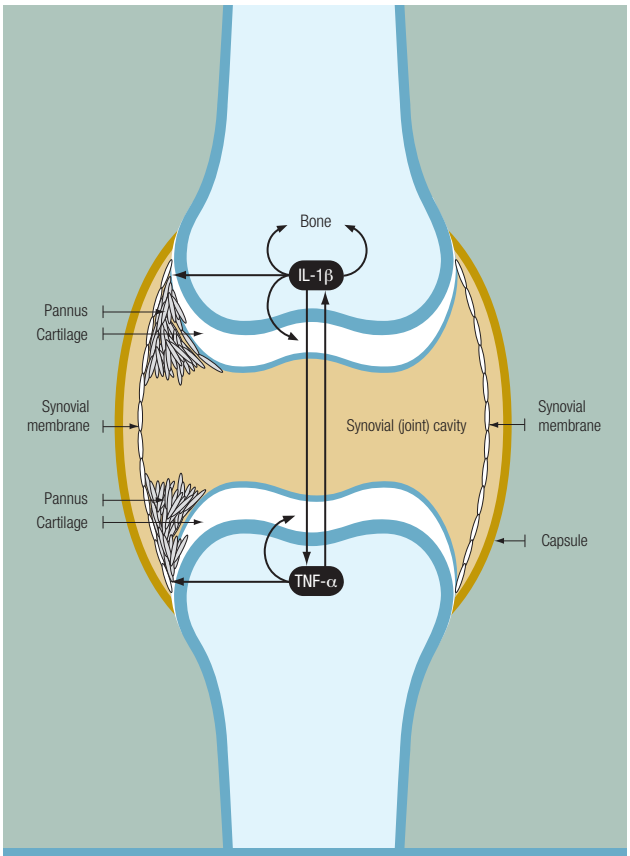
Though joint erosion can begin early in RA, more than half the people with this debilitating disease are undiagnosed or not seeking treatment. While there is no cure for this disease, doctors traditionally have used drugs originally developed for use in other therapeutic areas — such as cancer treatment and organ transplantation — to reduce swelling, alleviate pain and stiffness, and preserve joint function for patients with RA. Still, there remains a clear unmet medical need. Many doctors say that now is a promising time to be treating patients with RA given the potential of new biological therapies. Nonetheless, fewer than 10 percent of patients with RA receive these newer drugs, and many may suffer the progression of RA.

Cytokines are proteins that deliver chemical messages among cells. Cytokines activate immune responses to fight off infections and decrease tissue injury and cell death. But in patients with RA, there is persistent activation of the immune system, which leads to an overabundance of certain cytokines that induce structural damage and inflammation. The two key cytokines in RA are Interleukin-1 (IL-1) and Tumor Necrosis Factor-alpha (TNF-α). These two cytokines act together to induce production of other cytokines and enzymes that cause much of RA's pain, swelling, and destruction. Preclinical studies have demonstrated that IL-1 plays the dominant role in bone and cartilage destruction. Additionally, clinical evidence has shown that patients with bone erosion have higher levels of IL-1 in their joints. Amgen has two potential candidates in development to block each of these cytokines.

Anakinra, a recombinant form of naturally-occurring IL-1 receptor antagonist (IL-1ra, a protein the body produces to regulate IL-1) is the most advanced product candidate. Clinical studies suggest that by binding to IL-1 receptors, anakinra appears to interfere with the action of excess IL-1 and may help regulate the inflammatory imbalance between IL-1 and IL-1ra. Clinical trials suggest that anakinra may reduce the progression of joint destruction in patients with RA. Long-term studies also suggest that patients who continue on anakinra for longer periods may have a further slowing in the rate of disease progression. Amgen has submitted regulatory files for the approval of anakinra for the treatment of rheumatoid arthritis patients around the world.

Amgen's second product candidate for RA, soluble TNF-receptor type I (sTNF-RI), is in early studies to assess its effectiveness in blocking the impact of TNF-α in patients with RA. Another clinical trial is evaluating the effectiveness of anakinra and sTNF-RI together in treating patients with RA.

Amgen is committed to advancing the science of rheumatology and hopes to soon offer an important new treatment to improve the lives of people affected by the serious and debilitating disease of rheumatoid arthritis.



Activity of IL-1β and TNF-α as proinflammatory cytokines in rheumatoid joints.

Wim B. van den Berg, PhD
Inflammation Researcher
University Medical Center
Nijmegen, The Netherlands

"As an inflammation researcher, I am convinced of the promise of a new therapy that targets and selectively blocks interleukin-1 (IL-1). This therapy may provide improved therapeutic impact in RA patients whose inflamed joints produce increased levels of this cytokine that drives the devastating joint erosion of the disease.

The potency of therapy with Amgen's product candidate, anakinra, a recombinant form of naturally-occurring interleukin-1 receptor antagonist (IL-1ra), has been consistently shown in arthritis models. In preclinical studies, reaching sufficient levels of IL-1ra appears to block progression of joint inflammation and fully prevent activation of erosive enzymes, called metalloproteinases, and the resulting cartilage destruction. Moreover, results from studies in RA patients suggest that treatment with IL-1ra may reduce joint erosion.

Studies also suggest that IL-1 is more potent than another cytokine involved in RA, TNF-α, in inducing cartilage and bone erosion. It appears that IL-1 is a critical mediator in TNF-driven arthritis, since IL-1 blocking appears to fully prevent TNF-induced pathology. In addition, IL-1 production that occurs independently of TNF-α is seen in many forms of arthritis. Further preclinical studies also suggest that erosive arthritis cannot be induced in IL-1 deficient mice, in contrast to findings in TNF-deficient mice. However, spontaneous destructive arthritis appears to occur in mice lacking IL-1 receptor antagonist (IL-1ra), illustrating that insufficient control of IL-1 by its natural inhibitor, IL-1ra, causes joint destruction.

To me, this is an exciting time in the science and treatment of rheumatoid arthritis when a significant and much needed advance may be met by blocking the devastating erosion caused by excess levels of IL-1 in the joints of RA patients."

Amgen Products and Product Candidates

Amgen is discovering and developing a stream of product candidates using science and innovation to dramatically improve people's lives.

By leveraging its core biology and protein expertise and aggressively pursuing outside innovation, Amgen's research and development strategy is focused on four main therapeutic areas—chronic kidney disease, cancer, inflammation, and neurology/metabolism—and three potential patient-delivery modalities—protein, small-molecule, and antibody therapeutics.

Disease	Description	Amgen products [1]	Amgen late-stage product candidates [2]	Amgen early-stage product candidates [3]
CHRONIC KIDNEY DISEASE				
Anemia	A decrease in the normal amounts of red blood cells that develops in chronic kidney disease patients due to a decrease in the production of erythropoietin by the kidneys	EPOGEN® (Epoetin alfa)	ARANESP™ (darbepoetin alfa)	
Secondary hyperparathyroidism	Excessive production of parathyroid hormone			Calcimimetic program
CANCER				
Neutropenia	A decrease in a type of white blood cell called a neutrophil that may occur following chemotherapy treatment resulting in an increased risk of infection	NEUPOGEN® (Filgrastim)	SD/01	
Anemia	A decrease in the normal amount of red blood cells that may occur following chemotherapy treatment or due to the cancer itself		ARANESP® (darbepoetin alfa)	
Stem cell transplantation	A procedure in which the bone marrow destroyed by high doses of chemotherapy or radiation is replaced by stem cells that produce white blood cells, red blood cells, and platelets	NEUPOGEN® (Filgrastim) STEMGEN® (Ancestim) [4]		
Aplastic anemia	A failure of the bone marrow to generate cells			STEMGEN® (Ancestim)
Mucositis	Inflammation of the mucosal lining of the gastrointestinal tract as a result of cancer treatment		Keratinocyte growth factor (KGF)	
Bone metastases	Invasion of bone by cancer cells originating in other parts of the body that may induce bone destruction			Osteoprotegerin (OPG) program
Prostate cancer	A slow-growing malignant tumor in men that arises in the prostate gland and can spread to other parts of the body		Abarelix-depot	
Non-Hodgkin's lymphoma	A heterogeneous group of lymphoproliferative malignancies that usually originate in lymphoid tissues and may spread to other organs		Epratuzumab	

Disease	Description	Amgen products [1]	Amgen late-stage product candidates [2]	Amgen early-stage product candidates [3]
INFLAMMATION				
Rheumatoid arthritis	A disease characterized by pain and swelling of the joints in which the body's natural immune system attacks healthy joint tissue as it would foreign cells		Anakinra (Interleukin-1 receptor antagonist, IL-1ra)	Soluble tumor necrosis factor-receptor type I (sTNF-RI)
NEUROLOGY/METABOLISM				
Obesity	The storage of excess fat in the body			Leptin
Parkinson's disease	A motor system disorder characterized by tremors of hands, arms, legs, jaw, and face; stiffness of the limbs and trunk; slowness of movement; and impaired balance and coordination			Neuroimmunophilin program
OTHER				
Osteoporosis	A disease of the skeleton in which the amount of calcium present in the bones slowly decreases to the point where the bones become brittle and prone to fracture			Osteoprotegerin (OPG) program
Endometriosis	A painful disease wherein fragments of endometrial tissue implant outside the uterine cavity, usually in other areas of the pelvis, in women			Abarelix-depot
Primary hyperparathyroidism	Excessive production of parathyroid hormone by a benign tumor			Calcimimetic program
Hepatitis C	A liver disease caused by the hepatitis C virus (HCV), which is found in the blood of persons who have this disease	INFERGEN® (Interferon alfacon-1)		

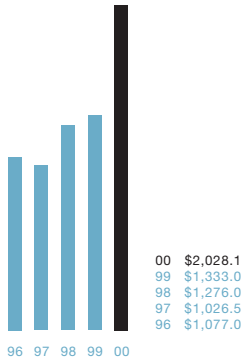
[1] Denotes marketed products in the United States and other countries.
[2] Denotes product candidates in phase 3 clinical trials or filed with regulatory agencies.
[3] Denotes product candidates in phase 1 or 2 clinical trials.
[4] STEMGEN® is marketed in Canada and Australia only.

The Company's ability to develop and commercialize new products is highly uncertain because very few pharmaceutical/biotechnology research and development products ever produce a commercial product. In addition, while the Company routinely seeks to obtain patents for its products, the protection offered by patents and patent applications may be challenged, invalidated, or circumvented. The Company believes that in some cases third party patent rights could limit product commercialization.

Liquidity and Capital Resources

The Company had cash, cash equivalents and marketable securities of $2,028.1 million at December 31, 2000, compared with $1,333.0 million at December 31, 1999. Cash provided by operating activities has been and is expected to continue to be the Company's primary source of funds. In 2000, operations provided $1,634.6 million of cash compared with $1,226.9 million in 1999.

Cash, Cash Equivalents and Marketable Securities
($ in millions)



Capital expenditures totaled $437.7 million in 2000 compared with $304.2 million in 1999. The Company anticipates spending approximately $450 million to $550 million in 2001 on capital projects and equipment to expand the Company's 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. In 2000, employee stock option exercises and proceeds from the sale of stock by Amgen pursuant to the employee stock purchase plan provided $333.7 million of cash compared with $248.8 million in 1999. 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 2000, the Company repurchased 12.2 million shares of its common stock at a total cost of $799.9 million, and in 1999, the Company repurchased 27.1 million shares of common stock at a cost of $1,024.7 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.

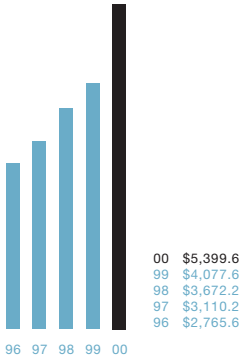
To provide for financial flexibility and increased liquidity, the Company has established several sources of debt financing. As of December 31, 2000, the Company had $223 million of unsecured long-term debt securities outstanding. These unsecured long-term debt securities consisted of: 1) $100 million 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. 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, 2000, commercial paper with a face amount of $100 million was outstanding. These borrowings had maturities of less than two months and had effective interest rates averaging 6.7%. In addition, the Company has an unsecured $150 million credit facility that expires on May 28, 2003. This credit facility supports the Company's commercial paper program. As of December 31, 2000, no amounts were outstanding under this line of credit.

The primary objectives for the Company's 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 are adequate to satisfy its working capital and capital expenditure requirements for the foreseeable future, as well as to support its stock repurchase program. However, the Company may raise additional capital from time to time.

Total Assets
($ in millions)



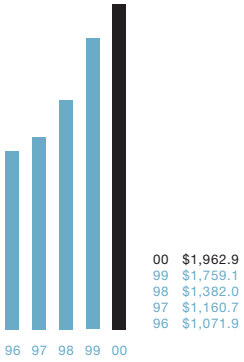
Results of Operations

Product Sales

Product sales were $3,202.2 million in 2000, an increase of $159.4 million or 5% over the prior year. In 1999, product sales were $3,042.8 million, an increase of $528.4 million or 21% over the prior year. Quarterly product sales are influenced by a number of factors, including underlying demand, wholesaler inventory management practices and foreign exchange effects.

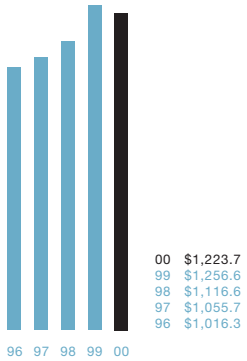
EPOGEN® (Epoetin alfa) EPOGEN® sales were $1,962.9 million in 2000, an increase of $203.8 million or 12% over the prior year. This increase was primarily due to higher demand, which was principally driven by growth in the U.S. dialysis patient population and to a lesser extent, the effect of higher prices. 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. In 1999, EPOGEN® sales were $1,759.1 million, an increase of $377.1 million or 27% over the prior year. This increase was primarily due to higher demand, principally driven by the administration of higher doses and growth in the U.S. dialysis patient population. The administration of higher doses of EPOGEN® was principally due to dialysis providers managing more patients into the hematocrit range of 33 to 36 percent as recommended by the Dialysis Outcomes Quality Initiative, as well as the use of hemoglobin instead of hematocrit to measure red blood cell volume.

EPOGEN® Sales
($ in millions)

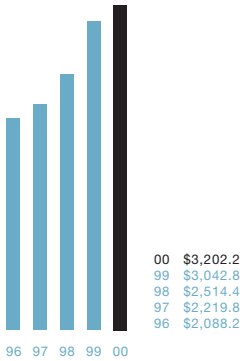


NEUPOGEN® (Filgrastim) Worldwide NEUPOGEN® sales were $1,223.7 million in 2000, a decrease of $32.9 million or 3% from the prior year. This decrease was primarily due to the adverse impact of wholesaler buying patterns, including Year 2000-related sales to wholesalers in the fourth quarter of 1999 for 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. In 1999, worldwide NEUPOGEN® sales were $1,256.6 million, an increase of $140.0 million or 13% over the prior year. This increase was primarily due to higher demand, which includes the effect of higher prices in the U.S., and the impact of approximately $29 million of Year 2000-related sales to wholesalers in the fourth quarter of 1999 for which the Company provided extended payment terms.

NEUPOGEN® Sales
($ in millions)



Total Product Sales
($ in millions)



Other Product Sales Other product sales primarily consist of INFERGEN® (Interferon alfacon-1). INFERGEN® sales were $14.5 million in 2000, a decrease of $11.7 million or 45% from the prior year. In 1999, INFERGEN® sales were $26.2 million, an increase of $10.4 million or 66% over the prior year. INFERGEN® was launched in October 1997 for the treatment of chronic hepatitis C virus infection. There are other treatments, including combination therapy, for this infection against which INFERGEN® competes. The Company cannot predict the extent to which it will maintain its share or further penetrate this market.

Corporate Partner Revenues

In 2000, corporate partner revenues increased $84.8 million or 53% over the prior year. In 1999, corporate partner revenues increased $33.5 million or 26% over the prior year. These increases were primarily due to amounts earned from Kirin-Amgen, Inc. related to the development program for ARANESP™ (darbepoetin alfa), the Company's novel erythropoiesis stimulating protein.

Cost of Sales

Cost of sales as a percentage of product sales was 12.8%, 13.2% and 13.7% for 2000, 1999 and 1998, respectively. The decreases in these percentages were primarily due to increased manufacturing efficiencies.

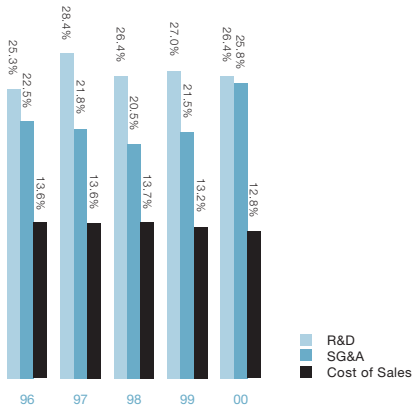
Research and Development

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 costs. In 1999, research and development expenses increased $159.5 million or 24% over the prior year. This increase was primarily due to product licensing and development costs related to the collaboration with PRAECIS PHARMACEUTICALS INCORPORATED and higher staff-related costs necessary to support ongoing research and product development activities.

Selling, General and Administrative

In 2000, selling, general and administrative ("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 continues to support its existing products and prepares for anticipated new product launches. In 1999, SG&A expenses increased $138.9 million or 27% over the prior year primarily due to higher staff-related costs and outside marketing expenses as the Company prepared for anticipated new product launches.

Selected Operating Expenses
(as a Percent of Product Sales)



Other Items, Net

Other items, net consisted of three non-recurring items: 1) legal awards 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. See Note 4 to the Consolidated Financial Statements.

Interest and Other Income

In 2000, interest and other income 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. In 1999, interest and other income increased $42.6 million or 93% over the prior year. This increase was principally due to the absence of write-downs recorded in 1998 of certain non-current assets, primarily marketable equity securities.

Income Taxes

The Company's effective tax rate was 32.0%, 30.0% and 29.5% for 2000, 1999 and 1998, respectively. 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. The Company's tax rate has 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. In addition, the 2000 tax rate increased as a result of the write-off of acquired in-process research and development, which is not deductible for tax purposes.

Financial Outlook

In December 1999 and early 2000, the Company filed regulatory submissions for the use of ARANESP™ in patients with chronic renal insufficiency and chronic renal failure in the U.S., the European Union, Canada, Australia and New Zealand. The Company anticipates selling ARANESP™, if approved, in most of these markets beginning in 2001. Because the Company is unable to predict the timing and the extent to which health care providers in the U.S. may transition from administering EPOGEN® to ARANESP™, 2001 sales guidance for EPOGEN® and ARANESP™ will be provided on a combined basis. The Company expects the percentage increase of 2001 sales of EPOGEN® and ARANESP™ combined over 2000 EPOGEN® sales to be in the range of high teens to low twenties. Patients receiving treatment for end stage renal disease are covered primarily under medical programs provided by the federal government. Therefore, EPOGEN® sales may also be affected by future changes in reimbursement rates or a change in the basis for reimbursement by the federal government. In addition, ARANESP™ sales will be affected by government and private payor reimbursement policies.

In 2001, the Company expects the NEUPOGEN® sales growth rate to be in the high single digits. The Company believes that there is a trend in some cancer settings towards the use of chemotherapy treatments that are less myelosuppressive. Chemotherapy treatments that are less myelosuppressive may require less NEUPOGEN®. Future NEUPOGEN® demand is dependent primarily upon penetration of existing markets and the effects of competitive products. NEUPOGEN® 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® sales will continue to be affected by changes in foreign currency exchange rates. In both domestic and foreign markets, sales of NEUPOGEN® 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® sales may also be affected by future changes in reimbursement rates or changes in the bases for reimbursement.

INFERGEN® (Interferon alfacon-1) was launched in October 1997 for the treatment of chronic hepatitis C virus infection. There are other treatments, including combination therapy, for this infection against which INFERGEN® competes. The Company cannot predict the extent to which it will maintain its share or further penetrate this market.

For 2001, total product sales are expected to grow in the mid to high teens, cost of sales is expected to be in the range of 11.5% to 12.5% of total product sales, corporate partner revenues are expected to be approximately the same as in 2000, research and development expenses and SG&A expenses are each estimated to be in the range of 25% to 27% of total product sales, the effective tax rate is expected to be approximately 34%, and earnings per share is expected to grow in the mid teens.

Estimates of future product sales, operating expenses and earnings per share are necessarily speculative in nature and are difficult to predict with accuracy.

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, earnings per share and expenses. 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) reimbursement for Amgen's products by governments and private payors; (iv) health care guidelines and policies relating to Amgen's products; (v) intellectual property matters (patents) and the results of litigation; (vi) competition; (vii) fluctuations in operating results and (viii) rapid growth of the Company. These factors and others are discussed herein and in the sections appearing under the heading "Business - Factors That May Affect Amgen" in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, which sections are incorporated herein by reference.

Interest income earned on the Company's investment portfolio is affected by changes in the general level of U.S. interest rates. 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. The Company had reduced this exposure to interest rate changes by entering into an interest rate swap agreement, which expired during 2000, that effectively changed the interest expense incurred on a portion of its short-term borrowings to a fixed rate. 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 swap, the tables present 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 12/31/99

Dollars in Millions, Average Interest Rate	2000	2001	2002	2003	2004	Thereafter	Total	Fair Value 12/31/99
Available-for-sale debt securities	$ 376.8	$ 721.8	$ 177.7	$ 17.0	$ 5.0	—	$ 1,298.3	$ 1,293.6
Interest rate	6.3%	6.4%	6.5%	6.0%	5.6%	—		
Commercial paper	$ 100.0	—	—	—	—	—	$ 100.0	$ 100.0
Interest rate	6.4%	—	—	—	—	—		
Long-term debt	—	—	—	$ 23.0	—	$ 200.0	$ 223.0	$ 216.6
Interest rate	—	—	—	6.2%	—	7.3%		
Interest rate swap related to commercial paper issuances:								
Pay fixed/receive variable	$ 50.0	—	—	—	—	—	$ 50.0	$ 0.3
Avg. pay rate	5.3%	—	—	—	—	—		
Avg. receive rate	6.0%	—	—	—	—	—		

Principal Amount by Expected Maturity as of 12/31/00

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	$ 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. The Company typically does not attempt to reduce or eliminate its market exposure on these securities. An 80% adverse change in equity prices would result in a decrease of approximately $178 million and $72 million in the fair value of the Company's available-for-sale marketable equity securities at December 31, 2000 and 1999, respectively.

Consolidated Statements of Operations

(In millions, except per share data)

Years ended December 31,	2000	1999	1998
Revenues:			
Product sales	$ 3,202.2	$ 3,042.8	$ 2,514.4
Corporate partner revenues	246.2	161.4	127.9
Royalty income	181.0	135.9	75.9
Total revenues	3,629.4	3,340.1	2,718.2
Operating expenses:			
Cost of sales	408.4	402.1	345.2
Research and development	845.0	822.8	663.3
Selling, general and administrative	826.9	654.3	515.4
Loss of affiliates, net	23.9	16.8	28.6
Other items, net	(18.8)	(49.0)	(23.0)
Total operating expenses	2,085.4	1,847.0	1,529.5
Operating income	1,544.0	1,493.1	1,188.7
Other income (expense):			
Interest and other income, net	146.2	88.3	45.7
Interest expense, net	(15.9)	(15.2)	(10.0)
Total other income	130.3	73.1	35.7
Income before income taxes	1,674.3	1,566.2	1,224.4
Provision for income taxes	535.8	469.8	361.2
Net income	$ 1,138.5	$ 1,096.4	$ 863.2
Earnings per share:			
Basic	$ 1.11	$ 1.07	$ 0.85
Diluted	$ 1.05	$ 1.02	$ 0.82
Shares used in calculation of earnings per share:			
Basic	1,029.6	1,021.7	1,020.2
Diluted	1,084.7	1,078.3	1,057.3

See accompanying notes.

Consolidated Balance Sheets

(In millions, except per share data)

December 31,	2000	1999
Assets		
Current assets:		
Cash and cash equivalents	$ 226.5	$ 130.9
Marketable securities	1,801.6	1,202.1
Trade receivables, net of allowance for doubtful accounts of $21.2 in 2000 and $26.0 in 1999	389.2	412.2
Inventories	305.2	184.3
Other current assets	214.6	135.8
Total current assets	2,937.1	2,065.3
Property, plant and equipment at cost, net	1,781.5	1,553.6
Other assets	681.0	458.7
	$ 5,399.6	$ 4,077.6
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 143.2	$ 83.4
Commercial paper	99.7	99.5
Accrued liabilities	619.2	648.2
Total current liabilities	862.1	831.1
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 - 1,037.4 shares in 2000 and 1,017.9 shares in 1999	2,947.3	2,072.3
Retained earnings	1,304.6	966.0
Accumulated other comprehensive income (loss)	62.6	(14.8)
Total stockholders' equity	4,314.5	3,023.5
	$ 5,399.6	$ 4,077.6

See accompanying notes.

Consolidated Statements of Stockholders' Equity

(In millions)

Years ended December 31, 2000, 1999 and 1998	Number of shares	Common stock and additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 1997	1,033.1	$ 1,218.2	$ 943.2	$ (22.1)	$ 2,139.3
Comprehensive Income:					
Net income	—	—	863.2	—	863.2
Other comprehensive income, net of tax:					
Unrealized gains on securities, net of reclassification adjustments	—	—	—	9.1	9.1
Foreign currency translation adjustments	—	—	—	9.0	9.0
Total other comprehensive income	—	—	—	—	18.1
Comprehensive income	—	—	—	—	881.3
Issuance of common stock upon the exercise of employee stock options and in connection with an employee stock purchase plan	42.8	345.5	—	—	345.5
Tax benefits related to employee stock options	—	108.2	—	—	108.2
Repurchases of common stock	(57.4)	—	(912.1)	—	(912.1)
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

See accompanying notes.

Consolidated Statements of Cash Flows

(In millions)

Years ended December 31,	2000	1999	1998
Cash flows from operating activities:			
Net income	$ 1,138.5	$ 1,096.4	$ 863.2
Write-off of acquired in-process research and development	30.1	—	—
Depreciation and amortization	211.8	176.8	143.8
Tax benefits related to employee stock options	376.6	151.6	108.2
Gain on equity investments	(31.8)	—	(17.3)
Other non-cash expenses	6.2	9.8	27.5
Loss of affiliates, net	23.9	16.8	28.6
Cash provided by (used in):			
Trade receivables, net	23.0	(92.3)	(50.9)
Inventories	(120.9)	(73.5)	(1.6)
Other current assets	(51.4)	(9.0)	(21.2)
Accounts payable	59.8	(38.2)	17.7
Accrued liabilities	(31.2)	(11.5)	51.7
Net cash provided by operating activities	1,634.6	1,226.9	1,149.7
Cash flows from investing activities:			
Purchases of property, plant and equipment	(437.7)	(304.2)	(407.8)
Proceeds from maturities of marketable securities	—	40.0	20.1
Proceeds from sales of marketable securities	1,067.8	843.5	466.2
Purchases of marketable securities	(1,638.7)	(1,032.7)	(766.3)
Other	(27.7)	(10.1)	14.1
Net cash used in investing activities	(1,036.3)	(463.5)	(673.7)
Cash flows from financing activities:			
Increase (decrease) in commercial paper	0.2	(0.2)	99.7
Net proceeds from issuance of common stock upon the exercise of employee stock options and in connection with an employee stock purchase plan	333.7	248.8	345.5
Repurchases of common stock	(799.9)	(1,024.7)	(912.1)
Other	(36.7)	(57.5)	(47.1)
Net cash used in financing activities	(502.7)	(833.6)	(514.0)
Increase (decrease) in cash and cash equivalents	95.6	(70.2)	(38.0)
Cash and cash equivalents at beginning of period	130.9	201.1	239.1
Cash and cash equivalents at end of period	$ 226.5	$ 130.9	$ 201.1

See accompanying notes.

Note 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. Under the Company's cash management system, the bank notifies the Company daily of checks presented for payment against its primary disbursement accounts. The Company transfers funds from short-term investments to cover the checks presented for payment. This system results in a book cash overdraft in the primary disbursement accounts as a result of checks outstanding. The book overdraft, which was reclassified to accounts payable, was $101.2 million and $43.9 million at December 31, 2000 and 1999, respectively.

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 $32.4 million, $2.8 million and $17.3 million for the years ended December 31, 2000, 1999 and 1998, respectively. Realized losses totaled $2.5 million, $6.6 million and $33.1 million for the years ended December 31, 2000, 1999 and 1998, respectively. The cost of securities sold is based on the specific identification method. The fair value of available-for-sale investments by type of security, contractual maturity and classification in the balance sheets are as follows (in millions):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
December 31, 2000				
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, 1999				
Type of security:				
Corporate debt securities	$ 963.8	$ 0.4	$ (10.8)	$ 953.4
U.S. Treasury securities and obligations of U.S. government agencies	209.9	—	(1.6)	208.3
Other interest bearing securities	132.4	—	(0.5)	131.9
Total debt securities	1,306.1	0.4	(12.9)	1,293.6
Equity securities	66.8	46.7	(8.9)	104.6
	$ 1,372.9	$ 47.1	$ (21.8)	$ 1,398.2

December 31,	2000	1999
Contractual maturity:		
Maturing in one year or less	$ 783.6	$ 376.4
Maturing after one year through three years	986.1	896.0
Maturing after three years	180.5	21.2
Total debt securities	1,950.2	1,293.6
Equity securities	245.3	104.6
	$ 2,195.5	$ 1,398.2
Classification in balance sheets:		
Cash and cash equivalents	$ 226.5	$ 130.9
Marketable securities	1,801.6	1,202.1
Other assets–noncurrent	285.3	144.6
	2,313.4	1,477.6
Less cash	(117.9)	(79.4)
	$ 2,195.5	$ 1,398.2

The primary objectives for the Company's 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 $112.7 million and $20.3 million as of December 31, 2000 and 1999, respectively. Inventories are shown net of applicable reserves and allowances. Inventories consisted of the following (in millions):

December 31,	2000	1999
Raw materials	$ 29.4	$ 37.5
Work in process	238.7	96.6
Finished goods	37.1	50.2
	$ 305.2	$ 184.3

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, including periods covered by options which are expected to be exercised. Useful lives by asset category are 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® (Epoetin alfa) and NEUPOGEN® (Filgrastim) (see Note 10, "Segment Information").

The Company has the exclusive right to sell Epoetin alfa for dialysis, diagnostics and all non-human uses in the United States. The Company sells Epoetin alfa under the brand name EPOGEN®. 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, 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 and adjustments thereto are derived from Company shipments and from third-party data on shipments to end users and their usage (see Note 4, "Other Items, Net – Legal Award"). Sales of the Company's other products are recognized when shipped and title has passed.

Research and Development Costs

Research and development costs are expensed as incurred, including the cost to acquire in-process research and development (see Note 11, "Business Combination").

Foreign Currency Transactions

The Company has a program to manage foreign currency risk. As part of this program, it has purchased foreign currency option and forward contracts to hedge against possible reductions in values of certain anticipated foreign currency cash flows generally over the next 12 months. At December 31, 2000, the Company had option contracts and forward contracts to exchange foreign currencies for U.S. dollars of $10.0 million and $150.6 million, respectively, all having maturities of eleven months or less. The option contracts, which have only nominal intrinsic value at the time of purchase, are designated as effective hedges of anticipated foreign currency transactions for financial reporting purposes and, accordingly, the net gains on such contracts are deferred and recognized in the same period as the hedged transactions. The forward contracts do not qualify as hedges for financial reporting purposes and, accordingly, are marked-to-market. Net gains realized on option contracts and changes in market values of forward contracts are reflected in "Interest and other income, net" in the accompanying consolidated statements of operations. The deferred premiums on option contracts and fair values of forward contracts are included in "Other current assets" in the accompanying consolidated balance sheets.

The Company has additional foreign currency forward contracts to hedge exposures to foreign currency fluctuations of certain assets and liabilities denominated in foreign currencies. At December 31, 2000, the Company had forward contracts to exchange foreign currencies for U.S. dollars of $37.8 million, all having maturities of less than one month. These contracts are designated as effective hedges and, accordingly, gains and losses on these forward contracts are recognized in the same period the offsetting gains and losses of hedged assets and liabilities are realized and recognized. The fair values of the forward contracts are included in the corresponding captions of the hedged assets and liabilities. Gains and losses on forward contracts and the related hedged assets and liabilities are included in "Interest and other income, net" in the accompanying consolidated statements of operations.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 establishes accounting and reporting standards requiring that all derivatives be recorded in the balance sheet as either an asset or liability measured at fair value and that changes in fair value be recognized currently in earnings, unless specific hedge accounting criteria are met. Certain provisions of SFAS No. 133, including its required implementation date, were subsequently amended. The Company will adopt SFAS No. 133, as amended, in the first quarter of 2001 and its adoption will not have a material effect on the Company's results of operations or financial position.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101 provides guidance on applying generally accepted accounting principles to revenue recognition issues in financial statements. The Company adopted SAB 101 in the fourth quarter of 2000 and its adoption has not had a material effect on the Company's results of operations or financial position.

In July 2000, the Emerging Issues Task Force ("EITF") issued EITF 00-15, "Classification in the Statement of Cash Flows of the Income Tax Benefit Realized by a Company upon Employee Exercise of a Nonqualified Stock Option", which requires companies to classify the income tax benefits related to employee exercises of nonqualified stock options as an operating activity in the statement of cash flows for both current and prior periods. Prior to the adoption of EITF 00-15 in the third quarter of 2000, Amgen had classified these amounts in financing activities in the consolidated statements of cash flows. In addition, the Company has included the income tax benefits related to disqualifying dispositions of incentive stock options within this reclassification.

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, 2000, 1999 and 1998, were $12.3 million, $11.6 million and $19.2 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 No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). 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. 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 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,	2000	1999	1998
Numerator for basic and diluted earnings per share– net income	$ 1,138.5	$ 1,096.4	$ 863.2
Denominator:			
Denominator for basic earnings per share– weighted–average shares	1,029.6	1,021.7	1,020.2
Effect of dilutive securities– employee stock options, restricted stock and potential stock issuances under the employee stock purchase plan	55.1	56.6	37.1
Denominator for diluted earnings per share– adjusted weighted–average shares	1,084.7	1,078.3	1,057.3
Basic earnings per share	$ 1.11	$ 1.07	$ 0.85
Diluted earnings per share	$ 1.05	$ 1.02	$ 0.82

Options to purchase 10.6 million, 1.6 million and 3.0 million shares with exercise prices greater than the average market prices of common stock were outstanding at December 31, 2000, 1999 and 1998, 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 generally accepted accounting principles 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.

Reclassification

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

Note 2
Related Party Transactions

The Company owns a 50% interest in Kirin-Amgen, Inc. ("Kirin-Amgen"), a corporation formed in 1984 for the development and commercialization of certain products based on advanced biotechnology. 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. During the years ended December 31, 2000, 1999 and 1998, Amgen earned revenues from Kirin-Amgen of $221.0 million, $138.5 million and $121.0 million, respectively, under such agreements, which are included in "Corporate partner revenues" in the accompanying consolidated statements of operations.

In connection with its various agreements with Kirin-Amgen, the Company has been granted sole and exclusive licenses for the manufacture and sale of certain products in specified geographic areas of the world. In return for such licenses, the Company pays Kirin-Amgen royalties based on sales. During the years ended December 31, 2000, 1999 and 1998, Kirin-Amgen earned royalties from Amgen of $140.8 million, $128.1 million and $105.0 million, respectively, under such agreements, which are included in "Cost of sales" in the accompanying consolidated statements of operations.

At December 31, 2000, Amgen's share of Kirin-Amgen's undistributed retained earnings was approximately $75.9 million.

Note 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, 2000, commercial paper with a face amount of $100 million was outstanding. These borrowings had maturities of less than two months and had effective interest rates averaging 6.7%. Commercial paper with a face amount of $100 million and with effective interest rates averaging 6.0% was outstanding at December 31, 1999.

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, 2000 and 1999 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, 2000 and 1999 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 places limitations on liens and sale/leaseback transactions and, except with respect to the Notes and the Century Notes, places limitations on subsidiary indebtedness.

The Company has an unsecured credit facility (the "credit facility") 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, 2000, $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, 2000, are as follows: none in 2001 and 2002; $23 million in 2003; none in 2004 and 2005; and $200 million after 2005.

Note 4
Other Items, Net

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

Years ended December 31,	2000	1999	1998
Legal award, net	$(73.9)	$(49.0)	$(23.0)
Write-off of acquired in-process research and development (see Note 11)	30.1	—	—
Amgen Foundation contribution	25.0	—	—
Other items, net	$(18.8)	$(49.0)	$(23.0)

Legal Award

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 and $23 million in the fourth quarter of 1998.

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

During the fourth quarter of 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.

Note 5
Income Taxes

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

Years ended December 31,	2000	1999	1998
Current provision:			
Federal (including U.S. possessions)	$ 481.7	$ 422.8	$ 339.6
State	47.5	37.2	27.2
Total current provision	529.2	460.0	366.8
Deferred provision (benefit):			
Federal (including U.S. possessions)	9.6	5.3	(4.7)
State	(3.0)	4.5	(0.9)
Total deferred provision (benefit)	6.6	9.8	(5.6)
	$ 535.8	$ 469.8	$ 361.2

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,	2000	1999
Deferred tax assets:		
Acquired net operating loss and credit carryforwards	$ 66.0	$ 64.3
Expenses capitalized for tax purposes	58.9	27.9
Fixed assets	46.0	22.9
Expense accruals	32.9	84.0
Other	20.0	27.4
Total deferred tax assets	223.8	226.5
Valuation allowance	(25.4)	(46.0)
Net deferred tax assets	198.4	180.5
Deferred tax liabilities:		
Purchase of technology rights	(95.9)	(78.1)
Marketable securities and investments	(62.6)	(10.0)
Other	(39.3)	(13.9)
Total deferred tax liabilities	(197.8)	(102.0)
	$ 0.6	$ 78.5

At December 31, 2000, the Company had operating loss carryforwards available to reduce future federal taxable income of which $29.3 million expire in 2008, $84.0 million expire in 2009 and $16.8 million expire thereafter. These operating loss carryforwards relate to the acquisition of companies. Utilization of these operating loss carryforwards is limited to approximately $26 million in 2001, $23 million in 2002 and $16 million per year thereafter.

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

Years ended December 31,	2000	1999	1998
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	(2.0)%	(2.3)%	(3.2)%
Utilization of tax credits, primarily research and experimentation	(1.4)%	(2.1)%	(2.4)%
Other, net	0.4%	(0.6)%	0.1%
	32.0%	30.0%	29.5%

Income taxes paid during the years ended December 31, 2000, 1999 and 1998, totaled $141.3 million, $318.7 million and $251.3 million, respectively.

Note 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.

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 translation adjustments to be included in other comprehensive income/(loss).

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/(Loss)
Balance at December 31, 1999	$ 15.3	$ (30.1)	$ (14.8)
Current year other comprehensive income/(loss)	99.0	(21.6)	77.4
Balance at December 31, 2000	$ 114.3	$ (51.7)	$ 62.6

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

	Before-Tax Amount	Tax Benefit / (Expense)	After-Tax Amount
For the year ended December 31, 1998:			
Unrealized losses on available-for-sale securities	$ (1.8)	$ 0.7	$ (1.1)
Less: Reclassification adjustments for losses realized in net income	(15.8)	5.6	(10.2)
Net unrealized gains on available-for-sale securities	14.0	(4.9)	9.1
Foreign currency translation adjustments	9.0	—	9.0
Other comprehensive income	$ 23.0	$ (4.9)	$ 18.1
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

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, 2000 and 1999, no shares of preferred stock were issued or outstanding.

At December 31, 2000, the Company had reserved 183.1 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.

Note 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. As of December 31, 2000, the Company had 67.8 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 follows (shares in millions):

		Exercise Price		
	Shares	Low	High	Weighted-Average
Balance unexercised at December 31, 1997	141.9	$ 0.58	$ 16.97	$ 10.02
Granted	33.5	$ 11.78	$ 26.22	$ 16.53
Exercised	(42.4)	$ 0.58	$ 20.77	$ 8.14
Forfeited	(6.8)	$ 4.48	$ 18.52	$ 13.57
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

At December 31, 2000, 1999 and 1998, employee stock options to purchase 55.5 million, 61.7 million and 66.1 million shares were exercisable at weighted-average prices of $15.35, $11.80 and $9.76, 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 are fixed at that point in time. Therefore, under the principles of APB 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 2000, 1999 and 1998, respectively: risk-free interest rates of 5.9%, 5.8% and 5.4%; dividend yields of 0%, 0% and 0%; volatility factors of the expected market price of the Company's common stock of 45%, 38% and 34%; and expected life of the options of 3.4 years, 3.4 years and 3.4 years. These assumptions resulted in weighted-average fair values of $25.87, $10.55 and $5.11 per share for employee stock options granted in 2000, 1999 and 1998, 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,	2000	1999	1998
Pro forma net income	$ 1,035.4	$ 1,030.0	$ 735.9
Pro forma earnings per share:			
Basic	$ 1.01	$ 1.01	$ 0.72
Diluted	$ 0.95	$ 0.95	$ 0.70

Information regarding employee stock options outstanding as of December 31, 2000 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	11.4	$ 7.83	1.1 years	11.4	$ 7.83
Over $10.00 to $15.00	32.4	$ 13.77	3.4 years	26.7	$ 13.72
Over $15.00 to $30.00	25.2	$ 16.94	4.5 years	12.0	$ 17.22
Over $30.00 to $60.00	18.2	$ 33.59	5.5 years	4.9	$ 32.44
Over $60.00	11.5	$ 68.38	6.5 years	0.5	$ 66.48

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, 2000 and 1998, employees purchased 1.3 million and 1.0 million shares at weighted-average prices of approximately $30.33 and $11.46 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, 2000, the Company had 16.2 million shares available for future issuance under this plan.

Defined Contribution Plans

The Company has defined contribution plans covering substantially all employees in the United States 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 $42.6 million, $34.3 million and $26.7 million for the years ended December 31, 2000, 1999 and 1998, respectively.

Note 8
Balance Sheet Accounts

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

December 31,	2000	1999
Land	$ 120.0	$ 110.1
Buildings and building improvements	901.7	841.4
Manufacturing equipment	287.6	251.8
Laboratory equipment	338.1	306.3
Furniture and office equipment	672.6	577.8
Leasehold improvements	53.7	50.8
Construction in progress	345.5	177.0
	2,719.2	2,315.2
Less accumulated depreciation and amortization	(937.7)	(761.6)
	$ 1,781.5	$ 1,553.6

Accrued liabilities consisted of the following (in millions):

December 31,	2000	1999
Employee compensation and benefits	$ 151.9	$ 149.1
Income taxes	116.7	87.5
Sales incentives, royalties and allowances	107.6	135.7
Due to affiliated companies and corporate partners	92.8	160.8
Clinical development costs	50.5	35.4
Other	99.7	79.7
	$ 619.2	$ 648.2

Note 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, 2000 and 1999. The fair values of long-term debt at December 31, 2000 and 1999 totaled approximately $222.0 million and $216.6 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 fair values of the foreign currency forward contracts and purchased foreign currency option contracts were not significant based on the estimated amounts at which the contracts could be settled taking into account current market exchange rates.

Note 10
Segment Information

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,	2000	1999	1998
EPOGEN®	$ 1,962.9	$ 1,759.1	$ 1,382.0
NEUPOGEN®	1,223.7	1,256.6	1,116.6
Other product sales	15.6	27.1	15.8
Total product sales	3,202.2	3,042.8	2,514.4
Other revenues	427.2	297.3	203.8
Total revenues	$ 3,629.4	$ 3,340.1	$ 2,718.2

Geographic Information

The Company sells NEUPOGEN® through its foreign affiliates in countries of the European Union, Canada and Australia. 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,	2000	1999	1998
Revenues:			
United States and possessions	$ 3,343.0	$ 3,024.5	$ 2,441.6
Foreign countries	286.4	315.6	276.6
Total revenues	$ 3,629.4	$ 3,340.1	$ 2,718.2

December 31,	2000	1999	1998
Long-lived assets:			
United States and possessions	$ 1,706.5	$ 1,475.7	$ 1,360.8
Foreign countries	75.0	77.9	89.4
Total long-lived assets	$ 1,781.5	$ 1,553.6	$ 1,450.2

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. Sales to two large wholesalers accounted for more than 10% of the total revenues for the years ended December 31, 2000, 1999 and 1998. Sales to one wholesaler were $1,233.4 million, $1,078.0 million and $856.2 million for the years ended December 31, 2000, 1999 and 1998, respectively. Sales to another wholesaler were $445.2 million, $438.2 million and $366.5 million for the years ended December 31, 2000, 1999 and 1998, respectively. At December 31, 2000 and 1999, amounts due from four large wholesalers accounted for 51% and 59%, respectively, of gross trade receivables.

Note 11
Business Combination

On December 14, 2000, Amgen acquired Kinetix Pharmaceuticals, Inc. ("Kinetix"), a privately held company with expertise in the discovery of small molecules in the field of protein kinase inhibition. Amgen acquired all the outstanding shares of Kinetix common stock in a tax-free exchange for 2.6 million shares of Amgen common stock. The acquisition has been 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 will be recognized as compensation expense over the vesting period of the restricted common stock. The preliminary assignment of the purchase price among identifiable tangible and intangible assets and liabilities of Kinetix was based upon an analysis of their fair values. The excess of the purchase price over the fair values of assets and liabilities acquired of $103.3 million was allocated to goodwill and will be amortized on a straight-line basis over a 15 year period.

The assets acquired included in-process research and development. The value assigned to this asset was determined by an analysis of data concerning four substantive in-process research projects. The values of these research projects were determined based on analyses of cash flows to be generated by the products that are expected to result from the in-process projects. These cash flows were estimated by forecasting total revenues expected from these products and then deducting appropriate operating

expenses, cash flow adjustments and contributory asset returns to establish a forecast of net returns on the in-process technology. These net returns were substantially reduced to take into account the time value of money and the risks associated with the inherent difficulties and uncertainties in developing specific molecules into viable human therapeutics given the stage of development of these projects at the date of the acquisition. Finally, these net returns were multiplied by the estimated percentage completed of each project, based upon analysis of three factors—time, cost and complexity. The above analysis resulted in $30.1 million of value assigned to acquired in-process research and development, which was expensed on the acquisition date in accordance with generally accepted accounting principles. A discounted, risk-adjusted cash flow analysis was also performed to value the technology platform of Kinetix that is expected to generate future molecules that may be developed into human therapeutics. This 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. Amgen management believes the assumptions used in valuing these acquired technologies are reasonable, but are inherently uncertain, and no assurance can be given that the assumptions made will occur.

This business combination would not have had a material impact on Amgen's revenues, net income or earnings per share in either 2000 or 1999.

Note 12
Quarterly Financial Data (unaudited)

(In millions, except per share data):

2000 Quarter Ended	Dec. 31[1]	Sept. 30[2]	June 30	Mar. 31[3]
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

1999 Quarter Ended	Dec. 31[4]	Sept. 30[5]	June 30	Mar. 31
Product sales	$ 847.4	$ 769.2	$ 737.9	$ 688.3
Gross margin from product sales	735.4	670.3	639.1	595.9
Net income	281.6	300.0	267.6	247.2
Earnings per share:				
Basic	0.28	0.29	0.26	0.24
Diluted	0.26	0.28	0.25	0.23

[1] 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 Pharmaceuticals, Inc. (see Note 11, "Business Combination"). 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 2 below had no impact on net income for the year ended December 31, 2000.

[2] 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").

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

[4] Due to Year 2000 contingency planning in the fourth quarter of 1999, the Company offered extended payment terms on limited shipments of EPOGEN® and NEUPOGEN® to certain wholesalers totaling $45 million. Sales in the first quarter of 2000 were adversely impacted by these Year 2000-related sales (see item 3 above).

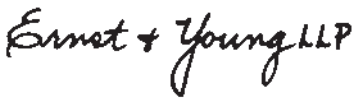
[5] During the third quarter of 1999, due to reduced uncertainties, the Company reduced its potential spillover liabilities to Johnson & Johnson by $49 million (see Note 4, "Other Items, Net - Legal Award").

The Board of Directors and Stockholders of Amgen Inc.

We have audited the accompanying consolidated balance sheets of Amgen Inc. as of December 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. These financial statements 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, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in accordance with accounting principles generally accepted in the United States.



Los Angeles, California
January 23, 2001

Amgen AB
Ralambsvägen 17
P.O. Box 34107
S-100 26 Stockholm
Sweden

Amgen Australia Pty Limited
Level 3, 65 Epping Road
P.O. Box 410
North Ryde, Sydney NSW 2113
Australia

Amgen-Bio-Farmacêutica, Lda.
Tagus Park-Parque de Ciência e Tecnologia
Edeficio Eastécnica
2780-920 Porto Salvo
Portugal

Amgen B.V.
Minervum 1150
4817 ZG Breda
The Netherlands

Amgen Canada Inc.
6755 Mississauga Road
Suite 400
Mississauga, Ontario
Canada L5N 7Y2

Amgen (Europe) AG
Alpenquai 30
Postfach 2065
CH-6002 Luzern
Switzerland

Amgen Europe B.V.
European Logistics Center
Minervum 1150
4817 ZG Breda
The Netherlands

Amgen GmbH
Handelskai 388, 661
A-1020 Vienna
Austria

Amgen GmbH
Reisstrasse 25
D-80992 Munich
Germany

Amgen Greater China, Ltd.
Rm 1501-4, 15/F
Dah Sing Financial Centre
108 Gloucester Road
Wanchai
Hong Kong

Amgen K.K.
Hamacho Center Building, 8F
31-1 Nihonbashi Hamacho 2-chome
Chuo-ku, Tokyo 103
Japan

Amgen Limited
240 Cambridge Science Park
Milton Road
Cambridge CB4 4WD
United Kingdom

Amgen N.V.
5 Avenue Ariane
B-1200 Brussels
Belgium

Amgen Puerto Rico, Inc.
State Road 31
Kilometer 24.6
Juncos, Puerto Rico 00777-4060

Amgen S.A.
192 Avenue Charles de Gaulle
92523 Neuilly-sur-Seine Cedex
France

Amgen, S.A.
World Trade Center Barcelona
Moll de Barcelona, s/n
Edifici Sud, 8ª planta
08039 Barcelona
Spain

Amgen S.p.A
Via Vitruvio, 38
20124 Milano
Italy

Board of Directors

David Baltimore
President
California Institute of Technology

William K. Bowes, Jr.
General Partner
U.S. Venture Partners

Jerry D. Choate
Retired Chairman and Chief Executive Officer
The Allstate Corporation

Frederick W. Gluck
Retired Vice Chairman
Bechtel Group, Inc.

Franklin P. Johnson, Jr.
General Partner
Asset Management Partners

Steven Lazarus
Managing General Partner
ARCH Venture Partners, L.P.

Gilbert S. Omenn
Executive Vice President for Medical Affairs
University of Michigan;
Chief Executive Officer
University of Michigan Health System; and
Professor of Internal Medicine,
Human Genetics, and Public Health

Judith C. Pelham
President and Chief Executive Officer
Trinity Health

J. Paul Reason
President and Chief Operating Officer
Metro Machine Corporation

Donald B. Rice
President and Chief Executive Officer
UroGenesys, Inc.

Kevin W. Sharer
Chairman of the Board
Chief Executive Officer and President
Amgen Inc.

Executive Officers

Stan M. Benson
Senior Vice President
Sales and Marketing

Fabrizio Bonanni
Senior Vice President
Quality and Compliance

Kathryn E. Falberg
Senior Vice President
Finance
and Chief Financial Officer

Dennis M. Fenton
Executive Vice President

George J. Morrow
Executive Vice President
Worldwide Sales and Marketing

George Morstyn
Senior Vice President
Development
and Chief Medical Officer

Steven M. Odre
Senior Vice President
General Counsel and Secretary

Roger M. Perlmutter
Executive Vice President
Research and Development

Kevin W. Sharer
Chairman of the Board
Chief Executive Officer and President

Corporate Office

One Amgen Center Drive
Thousand Oaks, California 91320-1799
(805) 447-1000

SEC Form 10-K

A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2000, filed with the Securities and Exchange Commission, is available without charge upon written request to Corporate Secretary, Amgen Inc., One Amgen Center Drive, Thousand Oaks, California 91320-1799; by calling (800) 84-AMGEN; or by accessing the Company's web site at www.Amgen.com.

Transfer Agent and Registrar

American Stock Transfer & Trust Company
59 Maiden Lane
New York, New York 10038

Stockholder Inquiries

Inquiries related to stock transfers or lost certificates should be directed to American Stock Transfer & Trust Company, (800) 937-5449 or (212) 936-5100. General information regarding the Company can be obtained by contacting Amgen's investor relations department, (805) 447-3352. Recent news releases and other information can also be obtained by contacting Amgen's automated stockholder information line at (800) 84-AMGEN or by accessing the Company's web site at www.Amgen.com.

Independent Auditors

Ernst & Young LLP, Los Angeles, California

Annual Meeting

The Annual Meeting will be held on Thursday, May 17, 2001, at 10:30 a.m. at the Beverly Hilton Hotel, 9876 Wilshire Boulevard, Los Angeles, California 90210.

Price Range of Common Stock

The Company's Common Stock trades on The Nasdaq Stock Market under the symbol AMGN. As of February 28, 2001, there were approximately 17,000 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 retain any earnings for development of the Company's business and 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 fiscal years 2000 and 1999:

	2000		1999	
	High	Low	High	Low
4th Quarter	$ 71.38	$ 54.13	$ 64.88	$ 37.84
3rd Quarter	78.00	64.94	43.78	29.50
2nd Quarter	70.38	51.31	40.00	26.16
1st Quarter	74.69	52.25	39.53	26.14

Trademarks Listed in This Report

Amgen, ARANESP™, EPOGEN®, INFERGEN®, NEUPOGEN®, and STEMGEN® are trademarks of Amgen Inc.

Hotlines

Amgen Customer Service Hotline (800) 28-AMGEN
Amgen Investor Materials Hotline (800) 84-AMGEN
Amgen Job Hotline (800) 446-4007
Amgen Professional Services Hotline (800) 77-AMGEN
Amgen Reimbursement Hotline (800) 272-9376
Amgen Safety Hotline (800) 835-2879

Design: Howry Design Associates, SF/CA Photography: Catherine Ledner Executive Portrait: Jamey Stillings

Amgen Inc.
One Amgen Center Drive
Thousand Oaks, CA
91320-1799

www.Amgen.com

MC14945 900M/3-01 P50300-2