

AMGEN INC  
Form 424B3  
November 09, 2006  
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Filed Pursuant to Rule 424(b)(3)

Registration No. 333-132286

**PROSPECTUS SUPPLEMENT**

(To Prospectus Dated March 8, 2006)

**\$2,500,000,000 0.125% Convertible Senior Notes due 2011**

**\$2,500,000,000 0.375% Convertible Senior Notes due 2013**

In February 2006, we sold \$2,500,000,000 principal amount of 0.125% Convertible Senior Notes due 2011 (the 2011 notes ) and \$2,500,000,000 principal amount of 0.375% Convertible Senior Notes due 2013 (the 2013 notes and, together with the 2011 notes, the notes ) to Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Citigroup Global Markets Inc., J.P. Morgan Securities Inc., Lehman Brothers Inc., Bear, Stearns & Co. Inc., Credit Suisse Securities (USA) LLC (collectively, the initial purchasers ). We offered and sold the notes to the initial purchasers in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended. The initial purchasers then sold the notes to qualified institutional buyers pursuant to the exemption from registration provided by Rule 144A under the Securities Act.

This prospectus may be used from time to time by selling security holders to resell up to \$5,000,000,000 in aggregate principal amount of the notes and the common stock issuable upon conversion of the notes at market prices prevailing at the time of sale or at privately negotiated prices. The selling security holders may sell the notes or the common stock directly to purchasers or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions. We will receive no proceeds from any sale by the selling security holders of the securities covered by this prospectus supplement, but in some cases we have agreed to pay certain registration expenses.

Interest on the notes is payable in cash semiannually in arrears on February 1 and August 1 of each year, beginning August 1, 2006. The notes are our senior unsecured obligations and rank equally with all of our other senior unsecured indebtedness. Holders may convert their (i) 2011 notes based on a conversion rate of 12.5247 shares of our common stock per \$1,000 principal amount of 2011 notes (which is equal to an initial conversion price of approximately \$79.84 per share) and (ii) 2013 notes based on a conversion rate of 12.5814 shares of our common stock per \$1,000 principal amount of 2013 notes (which is equal to an initial conversion price of approximately \$79.48 per share), in each case subject to adjustment, only under the following circumstances: (1) if the closing price of our common stock reaches a specified threshold, (2) if specified distributions to holders of our common stock are made or specified corporate transactions occur, or (3) during the last month prior to maturity of the applicable notes. Upon conversion, in lieu of shares of our common stock, for each \$1,000 principal amount of notes a holder will receive an amount in cash equal to the lesser of (i) \$1,000 and (ii) the conversion value, determined in the manner set forth in this prospectus supplement. If the conversion value exceeds \$1,000, we will also deliver, at our election, cash or common stock or a combination of cash and common stock for the conversion value in excess of \$1,000. If a holder elects to convert its notes in connection with a change in control, we will pay a make-whole premium by increasing the conversion rate applicable to such notes. Additionally, if we experience a change in control, holders may require us to purchase for cash all or a portion of the notes, at a price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, if any, to the change in control purchase date.

We do not intend to list the notes for trading on any national securities exchange or on the Nasdaq National Market. Our common stock is traded on the Nasdaq National Market under the symbol AMGN. The last reported sale price on November 8, 2006 was \$74.76 per share.

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See **RISK FACTORS** beginning on page S-4 of this prospectus supplement for information you should consider before buying any securities hereunder.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

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The date of this prospectus supplement is November 9, 2006.

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**Calculation of Registration Fee**

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
0.125% Convertible Senior Notes due 2011	\$2,500,000,000	100%	\$2,500,000,000	\$267,500
0.375% Convertible Senior Notes due 2013	\$2,500,000,000	100%	\$2,500,000,000	\$267,500
Common Stock, par value \$.0001	62,765,250 shares(2)			
<b>Total</b>				<b>\$535,000</b>

- (1) Equals the aggregate principal amount of notes being registered. Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (2) Represents the maximum number of shares of common stock issuable upon conversion of the notes registered hereby at a conversion rate corresponding to the initial conversion rate of 12.5247 shares of our common stock per \$1,000 principal amount of 0.125% Convertible Senior Notes due 2011 and 12.5814 shares of our common stock per \$1,000 principal amount of 0.375% Convertible Senior Notes due 2013. Pursuant to Rule 416 under the Securities Act, the registrant is also registering such indeterminate number of shares of common stock as may be issued from time to time upon conversion of the notes as a result of the anti-dilution provisions thereof. No additional consideration will be received for the common stock, and therefore no registration fee is required pursuant to Rule 457(i) under the Securities Act.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate as of the date on their respective covers. Our business, financial condition, results of operations and prospects may have changed since those dates.

When used in this prospectus supplement, the terms Amgen, we, our and us refer to Amgen Inc. and its consolidated subsidiaries, unless otherwise specified.

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**SUMMARY**

*This summary is not complete and does not contain all of the information that you should consider before investing in our notes. You should read this entire prospectus supplement and the accompanying prospectus carefully, including Risk Factors and our consolidated financial statements and the related notes, other financial information and other documents incorporated by reference into this prospectus supplement and the accompanying prospectus, before you decide to invest in our notes.*

**Amgen Inc.**

We are a global biotechnology company that discovers, develops, manufactures and markets human therapeutics based on advances in cellular and molecular biology.

We were incorporated in California in 1980 and merged into a Delaware corporation in 1987. Our principal executive offices are located at One Amgen Center Drive, Thousand Oaks, California 91320-1799, and our telephone number is (805) 447-1000. Our website is located at www.amgen.com. Information contained on our website is not a part of this prospectus supplement.

**The Notes**

The following is a brief summary of certain terms of the notes. For a more complete description of the terms of the notes, see Description of Notes in this prospectus supplement.

The Notes	\$2,500,000,000 principal amount of 0.125% Convertible Senior Notes due 2011 and \$2,500,000,000 principal amount of 0.375% Convertible Senior Notes due 2013.
Maturity Dates	February 1, 2011 for the 2011 notes. February 1, 2013 for the 2013 notes.
Interest and Payment Dates	0.125% per year, with respect to the 2011 notes, and 0.375% per year, with respect to the 2013 notes, in each case payable semiannually in arrears in cash on February 1 and August 1 of each year, beginning August 1, 2006.
Conversion Rights	<p> Holders may convert their notes prior to the close of business on the business day before the stated maturity date based on the applicable conversion rate only under the following circumstances:</p> <ul style="list-style-type: none"> <li>during any calendar quarter beginning after June 30, 2006 (and only during such calendar quarter), if the closing price of our common stock for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is more than 130% of the applicable conversion price per share, which is \$1,000 divided by the then applicable conversion rate;</li> <li>if specified distributions to holders of our common stock are made, or specified corporate transactions occur; or</li> <li>with respect to the 2011 notes, at any time on or after January 1, 2011, and with respect to the 2013 notes, at any time on or after January 1, 2013, in each case through the business day preceding the applicable maturity date.</li> </ul>

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The initial conversion rate for the 2011 notes is 12.5247 shares of common stock per \$1,000 principal amount of 2011 notes. This is equivalent to an initial conversion price of approximately \$79.84 per share of common stock.

The initial conversion rate for the 2013 notes is 12.5814 shares of common stock per \$1,000 principal amount of 2013 notes. This is equivalent to an initial conversion price of approximately \$79.48 per share of common stock.

Upon conversion, a holder will receive an amount in cash equal to the lesser of (i) the principal amount of the note and (ii) the conversion value, determined in the manner set forth in this prospectus supplement. If the conversion value exceeds the principal amount of the note on the conversion date, we will also deliver, at our election, cash or common stock or a combination of cash and common stock for the conversion value in excess of \$1,000. See Description of Notes Conversion Rights. Holders who convert their notes in connection with a change in control, as defined herein, may be entitled to a make-whole premium in the form of an increase in the conversion rate. See Description of Notes Adjustment to Conversion Rate Adjustment to Conversion Rate Upon a Change in Control.

**Change in Control** Upon a change in control, as defined herein, the holders may require us to purchase for cash all or a portion of their notes at a purchase price equal to 100% of the principal amount of notes, plus accrued and unpaid interest, if any. See Description of Notes Change in Control Permits Purchase of Notes by Amgen at the Option of the Holder.

**Ranking** The notes rank:

- equal in right of payment to all of our other existing and future senior unsecured indebtedness, including indebtedness under our senior credit facility, our Liquid Yield Option Notes due 2032, our Zero Coupon Convertible Notes due 2032, our 4.00% Senior Notes due 2009 and our 4.85% Senior Notes due 2014;
- senior in right of payment to all of our existing and future subordinated indebtedness; and
- effectively subordinated in right of payment to all of our subsidiaries obligations (including secured and unsecured obligations) and subordinated in right of payment to our secured obligations, to the extent of the assets securing such obligations.

**Use of Proceeds** The selling security holders will receive all of the proceeds from the sale under this prospectus supplement of the notes and the common stock issuable upon conversion of the notes. We will not receive any proceeds from these sales.

**Registration Rights** We prepared this prospectus supplement in connection with our obligations under a registration rights agreement with respect to the

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resale of the notes and the shares of our common stock issuable upon conversion of the notes. Pursuant to such registration rights agreement, we will use our reasonable efforts to keep the shelf registration statement of which this prospectus supplement is a part effective until February 17, 2008 or until the earlier of (i) the sale or transfer pursuant to the shelf registration statement of the notes and the common stock issuable upon conversion of the notes, and (ii) the date when holders, other than holders that are our affiliates, of the notes and the common stock issuable upon conversion of the notes are able to sell all such securities immediately without restriction pursuant to the volume limit provisions of Rule 144 under the Securities Act or any successor rule or otherwise.

DTC Eligibility

The notes were issued in fully registered book-entry form and are represented by permanent global notes without coupons. The notes are evidenced by a global note deposited with the trustee for the notes, as custodian for The Depository Trust Company, or DTC. Beneficial interests in global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, and your interest in any global note may not be exchanged for certificated notes, except in limited circumstances described herein. See Description of Notes Global Notes; Book-Entry; Form.

Form and Denomination

The notes have been issued in minimum denominations of \$1,000 and any integral multiple of \$1,000.

Trading

Prior to this offering, the notes have been eligible for trading on the PORTAL Market of the Nasdaq Stock Market, Inc. Notes sold by means of this prospectus supplement will not remain eligible for trading on the PORTAL Market. We do not intend to list the notes for trading on any national securities exchange or on the Nasdaq National Market.

Nasdaq Symbol for Common Stock

Our common stock is quoted on the Nasdaq National Market under the symbol AMGN.

Risk Factors

See Risk Factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before deciding to invest in the notes.

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**RISK FACTORS**

*Investing in the notes involves a high degree of risk. You should carefully consider the following risk factors and all other information contained or incorporated by reference in this prospectus and the accompanying prospectus, including the risk factors under the heading **Factors That May Affect Amgen** (or similar heading) in our most recent **Quarterly Report on Form 10-Q**, as the same may be updated from time to time by our future filings under the Securities Exchange Act of 1934, as amended, before making an investment decision. For more information, see **Where You Can Find More Information** in the accompanying prospectus. The occurrence of any one or more of the following could materially adversely affect your investment in the notes or our business and operating results.*

**Risks Relating to the Notes**

*The notes are structurally subordinated. This may affect your ability to receive payments on the notes.*

The notes are obligations exclusively of Amgen. We currently conduct a significant portion of our operations through our subsidiaries and our subsidiaries have significant liabilities. In addition, we may, and in some cases we have plans to, conduct additional operations through our subsidiaries in the future and, accordingly, our subsidiaries' liabilities will increase. Our cash flow and our ability to service our debt, including the notes, therefore partially depends upon the earnings of our subsidiaries, and we depend on the distribution of earnings, loans or other payments by those subsidiaries to us.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or, subject to existing or future contractual obligations between us and our subsidiaries, to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions and taxes on distributions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and business considerations.

Our right to receive any assets of any of our subsidiaries upon liquidation or reorganization, and, as a result, the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors and preferred stockholders, if any. The notes do not restrict the ability of our subsidiaries to incur additional liabilities. In addition, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to indebtedness held by us.

*The convertible note hedge and warrant transactions may affect the value of the notes and our common stock.*

We have entered into convertible note hedge and warrant transactions with affiliates of Merrill Lynch and Morgan Stanley. These transactions are expected but are not guaranteed to eliminate the potential dilution upon conversion of the notes. We used approximately \$1.5 billion of the net proceeds of the private offering of the notes to fund the cost of the convertible note hedge transactions. In connection with hedging these transactions, such affiliates of Merrill Lynch and Morgan Stanley:

entered into various over-the-counter derivative transactions with respect to our common stock, and purchased our common stock concurrently with and shortly after the pricing of the notes; and

may enter into, or may unwind, various over-the-counter derivatives and/or purchase or sell our common stock in secondary market transactions following the pricing of the notes (including during any conversion reference period related to a conversion of notes). Such activities could have the effect of increasing, or preventing a decline in, the price of our common stock concurrently with or following the pricing of the notes. Such effect is expected to be greater in the event we elect to settle converted notes entirely in cash. The affiliates of Merrill Lynch and Morgan Stanley party to these



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transactions are likely to modify their hedge positions from time to time prior to conversion or maturity of the notes or termination of the transactions by purchasing and selling shares of our common stock, other of our securities, or other instruments they may wish to use in connection with such hedging. In particular, such hedging modification may occur during any conversion reference period for a conversion of notes, which may have a negative effect on the value of the consideration received in relation to the conversion of those notes. In addition, we intend to exercise options we hold under the convertible note hedge transactions whenever notes are converted. In order to unwind their hedge position with respect to those exercised options, the affiliates of Merrill Lynch and Morgan Stanley party to these transactions expect to sell shares of our common stock in secondary market transactions or unwind various over-the-counter derivative transactions with respect to our common stock during the conversion reference period for the converted notes.

The effect, if any, of any of these transactions and activities on the market price of our common stock or the notes will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our common stock and the value of the notes and, as a result, the number of shares and value of the common stock you will receive upon the conversion of the notes.

### ***An active trading market for the notes may not develop.***

In February 2006, we issued the notes to the initial purchasers in a private placement. The initial purchasers then sold the notes to qualified institutional buyers pursuant to the exemption from registration provided by Rule 144A under the Securities Act. The notes are new issues of securities for which there is currently no public market. Any trading of the notes may be at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the price, and volatility in the price of our shares of common stock, our performance and other factors. In addition, we do not know whether an active trading market will develop for the notes. To the extent that an active trading market does not develop, the liquidity and trading prices for the notes may be harmed.

We have no plans to list the notes on a securities exchange. The notes currently trade on the Nasdaq National Market's screen-based automated trading system known as PORTAL. Notes sold by means of this prospectus supplement will not remain eligible for trading on the PORTAL Market.

The initial purchasers are not obligated to make a market in the notes. Any market-making activity, if initiated, may be discontinued at any time, for any reason or for no reason, without notice. If the initial purchasers cease to act as the market makers for the notes, we cannot assure you another firm or person will make a market in the notes.

The liquidity of any market for the notes will depend upon the number of holders of the notes, our results of operations and financial condition, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. An active or liquid trading market for the notes may not develop.

### ***Fluctuations in the price of our common stock may prevent you from being able to convert the notes and may impact the price of the notes and make them more difficult to resell.***

The ability of holders of the notes to convert the notes is conditioned on the closing price of our common stock reaching a specified threshold or the occurrence of specified corporate transactions, such as a change in control. If the closing price threshold for conversion of the notes is satisfied during a calendar quarter, holders may convert the notes only during the subsequent calendar quarter. If such closing price threshold is not satisfied and the other specified corporate transactions that would permit a holder to convert notes do not occur, holders would not be able to convert notes except during the one month period prior to the applicable maturity date.

Because the notes are convertible into shares of our common stock, volatility or depressed prices for our common stock could have a similar effect on the trading price of the notes and could limit the amount of cash payable upon conversion of the notes. Holders who receive common stock upon conversion of the notes will also be subject to the risk of volatility and depressed prices of our common stock.

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***The make-whole premium that may be payable upon a change in control may not adequately compensate you for the lost option time value of your notes as a result of such change in control.***

If you convert notes in connection with a change in control, we may be required to issue a make-whole premium by increasing the conversion rate applicable to your notes, as described under **Description of Notes Adjustment To Conversion Rate Adjustment to Conversion Rate Upon a Change in Control**. While these increases in the applicable conversion rate are designed to compensate you for the lost option time value of your notes as a result of a change in control, such increases are only an approximation of such lost value and may not adequately compensate you for such loss. In addition, even if a change in control occurs, in some cases there will be no such make-whole premium. See **Description of Notes Adjustment To Conversion Rate Conversion After a Public Acquirer Change in Control**. Our obligation to deliver the make-whole shares could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

***Because your right to require repurchase of the notes is limited, the market prices of the notes may decline if we enter into a transaction that is not a change in control under the indentures.***

The term **change in control** is limited and may not include every event that might cause the market prices of the notes to decline or result in a downgrade of the credit rating of the notes. Our obligation to repurchase the notes upon a change in control may not preserve the value of the notes in the event of a highly leveraged transaction, reorganization, merger or similar transaction. See **Description of Notes Change in Control Permits Purchase of notes by Amgen at the Option of the Holder**.

***If you hold notes, you are not entitled to any rights with respect to our common stock, but you are subject to all changes made with respect to our common stock.***

If you hold notes, you are not entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), but you are subject to all changes affecting the common stock. You will only be entitled to rights on the common stock if and when we deliver shares of common stock to you in exchange for your notes and in limited cases under the anti-dilution adjustments of the notes. For example, in the event that an amendment is proposed to our certificate of incorporation or by-laws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to delivery of the common stock, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

***You should consider the U.S. federal income tax consequences of owning and converting the notes.***

The U.S. federal income tax treatment of the conversion of the notes into a combination of our common stock and cash is uncertain. You are urged to consult your tax advisors with respect to the U.S. federal income tax consequences resulting from the conversion of notes into a combination of cash and common stock. A discussion of the U.S. federal income tax consequences of ownership and disposition of the notes is contained in this prospectus supplement under the heading **Certain U.S. Federal Income Tax Considerations**.

***You may have to pay taxes with respect to distributions on our common stock that you do not receive.***

The conversion rate of the notes is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, cash dividends and certain other actions by us that modify our capital structure. If, for example, the conversion rate is adjusted as a result of a distribution that is taxable to holders of our common stock, such as a cash dividend, you may be required to include an amount in income for U.S. federal income tax purposes, notwithstanding the fact that you do not receive an actual distribution. In addition, holders of the notes may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding taxes (including backup withholding taxes or withholding taxes for payments to foreign persons). If we pay withholding taxes on behalf of a holder, we may, at our option, set off such payments against payments of cash and common stock on the notes. See the discussions under the headings **Certain U.S. Federal Income Tax Considerations Consequences to U.S. Holders Constructive Distributions** and **Certain U.S. Federal Income Tax Considerations Consequences to Non-U.S. Holders Dividends and Constructive Distributions** for more details.

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*We may not be able to raise the funds necessary to finance a change in control purchase.*

Upon the occurrence of a change in control, holders of notes may require us to purchase their notes. However, it is possible that we would not have sufficient funds at that time to make the required purchase of notes. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change in control under the indentures. See Description of Notes Change in Control Permits Purchase of notes by Amgen at the Option of the Holder.

*The change in control purchase feature of the notes may delay or prevent an otherwise beneficial takeover attempt of our company.*

The terms of the notes require us to purchase the notes for cash in the event of a change in control. A takeover of our company would trigger the requirement that we purchase the notes. This may have the effect of delaying or preventing a takeover of our company that would otherwise be beneficial to investors.

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The selling security holders will receive all of the proceeds from the sale under this prospectus supplement of the notes and the common stock issuable upon conversion of the notes. We will not receive any proceeds from these sales.

**RATIO OF EARNINGS TO FIXED CHARGES**

	Year Ended December 31,					Nine Months Ended
	2001	2002	2003	004	2005	September 30 2006
Ratio of earnings to fixed charges	46.3x	(1)	44.8x	42.1x	32.0x	20.2x

- (1) Earnings were approximately \$716 million lower than the amount needed to cover fixed charges in this year, as earnings were impacted by a write-off of acquired in-process research and development of approximately \$3.0 billion related to the acquisition of Immunex Corporation.

For these ratios, earnings is computed by adding income before income taxes and fixed charges (excluding capitalized interest) and excluding Amgen's share of income/losses in its equity method affiliates. Fixed charges consist of interest expense, including capitalized interest, amortized premiums, discounts and capitalized expenses related to indebtedness and estimated interest included in rental expense.

In February 2006, we raised \$5.0 billion of cash proceeds by issuing convertible notes at par in a private placement. Of the \$5.0 billion convertible notes, \$2.5 billion pay interest at 0.125 percent and are due in 2011 and \$2.5 billion pay interest at 0.375 percent and are due in 2013. The notes are convertible into cash, and under certain terms and conditions, shares of our common stock.

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**DESCRIPTION OF NOTES**

We issued the 0.125% Convertible Senior Notes due 2011 (the 2011 notes ) and 0.375% Convertible Senior Notes due 2013 (the 2013 notes and, together with the 2001 notes, the notes ) under separate indentures between Amgen Inc., as issuer, and JPMorgan Chase Bank, N.A., as trustee. As used in this description of notes, the terms we, us, our or Amgen refer only to Amgen Inc. and do not include any of our current or future subsidiaries. We have summarized the material provisions of the indentures and the notes below. The following description is not complete and is subject to, and qualified by reference to, all of the provisions of the indentures and the notes, which we urge you to read because they define your rights as a note holder. The indentures, including forms of the notes, were filed as exhibits to our current report on Form 8-K filed with the SEC on February 21, 2006, incorporated herein by reference.

**General**

The 2011 notes are limited to \$2.5 billion aggregate principal amount. The 2011 notes will mature on February 1, 2011.

The 2013 notes are limited to \$2.5 billion aggregate principal amount. The 2013 notes will mature on February 1, 2013.

The notes were issued in denominations of \$1,000 or in integral multiples of \$1,000. The notes are payable at the principal corporate trust office of the paying agent, which initially will be an office or agency of the trustee, or an office or agency maintained by us for such purpose.

The notes are general unsecured obligations of Amgen. The notes rank:

equal in right of payment to all of our other existing and future senior unsecured indebtedness, including indebtedness under our senior credit facility, our Liquid Yield Option Notes due 2032, our Zero Coupon Convertible Notes due 2032, our 4.00% Senior Notes due 2009 and our 4.85% Senior Notes due 2014;

senior in right of payment to all of our existing and future subordinated indebtedness; and

effectively subordinated in right of payment to all of our subsidiaries' obligations (including secured and unsecured obligations) and subordinated in right of payment to our secured obligations, to the extent of the assets securing such obligations.

The 2011 notes bear cash interest at the rate of 0.125% per year and the 2013 notes bear cash interest at the rate of 0.375% per year. Interest on the notes accrues from the issue date, or from the most recent date to which interest has been paid or provided for. Interest is payable semiannually in arrears on February 1 and August 1 of each year, beginning on August 1, 2006, to holders of record at the close of business on the January 15 or the July 15 immediately preceding such interest payment date. Each payment of cash interest on the notes includes interest accrued for the period commencing on and including the immediately preceding interest payment date (or, if none, the scheduled original issuance date) through the day before the applicable interest payment date (or purchase date). Any payment required to be made on any day that is not a business day will be made on the next succeeding business day. Interest is calculated using a 360-day year composed of twelve 30-day months. A business day is any weekday that is not a day on which banking institutions in The City of New York are authorized or obligated to close. Interest will cease to accrue on a note upon its maturity, conversion or purchase by us at the option of a holder.

Notes may be presented for conversion at the office of the conversion agent and for exchange or registration of transfer at the office of the registrar. The conversion agent and the registrar shall initially be the trustee. No service charge will be made for any registration of transfer or exchange of notes. However, we may require the holder to pay any tax, assessment or other governmental charge payable as a result of such transfer or exchange.

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We may, to the extent permitted by applicable law, at any time purchase the notes in the open market or by tender at any price or by private agreement.

In connection with the offering of the notes, we entered into separate convertible note hedge and warrant transactions. For further discussion of these transactions, see our current report on Form 8-K filed with the SEC on February 21, 2006, incorporated herein by reference.

**Conversion Rights**

*General*

Holders may convert their 2011 notes prior to maturity based on an initial conversion rate of 12.5247 shares per \$1,000 principal amount of 2011 notes (equivalent to an initial conversion price (as defined below) of approximately \$79.84 per share), only if the conditions for conversion described below are satisfied. Holders may convert their 2013 notes prior to maturity based on an initial conversion rate of 12.5814 shares per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$79.48 per share), only if the conditions for conversion described below are satisfied. Holders who convert will receive cash and, at our option as described below, shares of our common stock, par value \$0.0001 per share (common stock). The conversion rate will be subject to adjustment as described in Adjustment To Conversion Rate below. A note for which a holder has delivered a change in control purchase notice, as described below, requiring us to purchase the note may be surrendered for conversion only if such notice is withdrawn in accordance with the applicable indenture. A holder may convert fewer than all of such holder's notes so long as the notes converted are an integral multiple of \$1,000 principal amount.

The conversion price per share of common stock as of any day will equal the result obtained by dividing \$1,000 by the then applicable conversion rate (as defined below).

The applicable conversion rate means the conversion rate on any trading day (as defined below). For purposes of determining the conversion value, the applicable conversion rate shall mean the conversion rate on the conversion date (as defined below).

The conversion date with respect to a note means the date on which the holder of the note has complied with all requirements under the applicable indenture to convert such note.

Rather than receiving shares of our common stock upon conversion of any note, a holder will receive, for each \$1,000 principal amount of notes surrendered for conversion:

cash in an amount equal to the lesser of (1) \$1,000 and (2) the conversion value, as defined below (the required cash amount), and

if the conversion value is greater than \$1,000, a number of shares of our common stock, (the remaining shares) equal to the sum of the daily share amounts (as defined below) for each of the ten consecutive trading days in the conversion reference period (as defined below), subject to our right to deliver cash in lieu of all or a portion of such remaining shares as described below.

Conversion value means the product of (1) the applicable conversion rate multiplied by (2) the average of the volume weighted average price (as defined below) per share of our common stock on each of the trading days during the conversion reference period.

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The daily share amounts means, for each trading day of the conversion reference period and each \$1,000 principal amount of notes surrendered for conversion, a number of shares (but in no event less than zero) determined by the following formula:

$$\frac{\text{(volume weighted average price per share for such trading day)} \times \text{conversion rate in effect on the conversion date*}) - \$ 1,000}{\text{volume weighted average price per share for such trading day} \times 10}$$

\* appropriately adjusted to take into account the occurrence on or before such trading day of any event which would require an anti-dilution adjustment

The volume weighted average price per share of our common stock on any trading day means such price as displayed on Bloomberg (or any successor service) page AMGN <equity> VAP in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such trading day; or, if such price is not available, the volume weighted average price means the market value per share of our common stock on such day as determined by a nationally recognized independent investment banking firm retained for this purpose by us.

A trading day is any day on which (i) there is no market disruption event (as defined below) and (ii) the Nasdaq National Market or, if our common stock is not quoted on the Nasdaq National Market, the principal national securities exchange on which our common stock is listed, is open for trading or, if the common stock not so listed, admitted for trading or quoted, any business day. A trading day only includes those days that have a scheduled closing time of 4:00 p.m. (New York City time) or the then standard closing time for regular trading on the relevant exchange or trading system.

A market disruption event means the occurrence or existence for more than one half hour period in the aggregate on any scheduled trading day for our common stock of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Nasdaq National Market or otherwise) in our common stock or in any options, contracts or future contracts relating to our common stock, and such suspension or limitation occurs or exists at any time before 1:00 p.m. (New York City time) on such day.

The conversion reference period means:

for notes that are converted during the period beginning on the 30<sup>th</sup> day prior to the maturity date of the applicable notes, the ten consecutive trading days beginning on the third trading day following the maturity date; and

in all other instances, the ten consecutive trading days beginning on the third trading day following the conversion date.

On any day prior to the first trading day of the applicable conversion reference period, we may specify a percentage of the daily share amount that will be settled in cash (the cash percentage) and we will notify you of such cash percentage by notifying the trustee (the cash percentage notice). If we elect to specify a cash percentage, the amount of cash that we will deliver in respect of each trading day in the applicable conversion reference period will equal the product of: (1) the cash percentage, (2) the daily share amount for such trading day and (3) the volume weighted average price of our common stock for such trading day (provided that after the consummation of a change in control in which the consideration is comprised entirely of cash, the amount used in this clause (3) will be the cash price per share received by holders of our common stock in such change in control). The number of shares deliverable in respect of each trading day in the applicable conversion reference period will be a percentage of the daily share amount equal to 100% minus the cash percentage. If we do not specify a cash percentage by the start of the applicable conversion reference period, we must settle 100% of the daily share amount for each trading day in the applicable conversion reference period with shares of our common stock; provided, however, that we will pay cash in lieu of fractional shares as described below. We may, at our option, revoke any cash percentage notice by notifying the trustee; provided that we revoke such notice prior to the start of the applicable conversion reference period.

The cash and any shares of our common stock due upon conversion of the notes will be delivered through the conversion agent as promptly as practicable following the end of the conversion reference period applicable to the notes being converted.





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A holder of a note otherwise entitled to a fractional share will receive cash equal to the applicable portion of the arithmetic average of the volume weighted average price of our common stock for each of the ten consecutive trading days of the conversion reference period.

The ability to surrender notes for conversion will expire at the close of business on the business day immediately preceding the stated maturity date.

Upon determining that the holders are entitled to convert their notes in accordance with the provisions described below, we will promptly (1) issue a press release and use our reasonable efforts to post such information on our website or otherwise publicly disclose this information or (2) provide notice to the holders of the notes in a manner contemplated by the applicable indenture, including through the facilities of the DTC.

***Conversion Based on Common Stock Price***

Holders may surrender notes for conversion in any calendar quarter commencing at any time after June 30, 2006, and only during such calendar quarter, if, as of the last day of the preceding calendar quarter, the closing price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of such preceding calendar quarter is more than 130% of the conversion price per share of common stock on the last day of such preceding calendar quarter, which we refer to as the conversion trigger price.

The conversion trigger price immediately following issuance of the 2011 notes is \$103.79, which is 130% of the initial conversion price per share of common stock. The foregoing conversion trigger price assumes that no events have occurred that would require an adjustment to the conversion rate.

The conversion trigger price immediately following issuance of the 2013 notes is \$103.33, which is 130% of the initial conversion price per share of common stock. The foregoing conversion trigger price assumes that no events have occurred that would require an adjustment to the conversion rate.

The conversion agent will, on our behalf, determine at the beginning of each calendar quarter commencing at any time after June 30, 2006 (through the calendar quarter ending December 31, 2010 with respect to the 2011 notes and through the calendar quarter ending December 31, 2012 with respect to the 2013 notes) whether the notes are convertible as a result of the price of our common stock and notify us and the trustee.

***Conversion Upon Occurrence of Specified Corporate Transactions***

If we elect to distribute to all holders of our common stock:

certain rights or warrants entitling them to subscribe for or purchase, for a period expiring within 60 days of the record date for such distribution, our common stock at less than the average of the closing prices for the five consecutive trading days ending on the date immediately preceding the first public announcement of the distribution, or

cash, debt securities (or other evidence of indebtedness) or other assets (excluding dividends or distributions described in clauses (1) and (2) of the description below of adjustments to the conversion rate), which distribution, together with all other distributions within the preceding twelve months, has a per share value exceeding 15% of the average of the closing prices for the five consecutive trading days ending on the date immediately preceding the first public announcement of the distribution, we must notify the holders of the notes at least 20 days prior to the ex-dividend date for such distribution. Once we have given such notice, holders may surrender their notes for conversion at any time until the earlier of the close of business on the business day prior to the ex-dividend date or our announcement that such distribution will not take place, even if the notes are not convertible at that time. No adjustment to the ability of the holders to convert will be made if the holders are entitled to participate in the distribution without conversion.

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In addition, in the event that we are a party to a consolidation, merger, binding share exchange, transfer or lease of all or substantially all of our assets, pursuant to which our common stock would be converted into cash, securities or other assets, the notes may be surrendered for conversion at any time from or after the date which is 15 days prior to the anticipated effective time of the transaction until 35 days after the actual date of such transaction or, if such transaction also constitutes a change in control, until the change in control purchase date. After the effective time of the transaction, settlement of the conversion value will be based on the kind and amount of cash, securities or other assets of Amgen or another person that a holder of our common stock received in the transaction (or, if the transaction provides the holders of our common stock with the right to receive more than a single type of consideration determined based in part upon any form of stockholder election, the weighted average of the types and amounts of consideration received by the holders of our common stock); provided that, for the avoidance of doubt, the conversion value will be paid in cash and at our election, cash, common stock or a combination of cash and common stock in accordance with the applicable procedures set forth under *Conversion Rights - General*. We will notify holders and the trustee as promptly as practicable following the date we publicly announce such transaction but in no event less than 15 days prior to the anticipated effective date of such transaction.

If the transaction also constitutes a change in control, the holder can require us to purchase all or a portion of its notes as described under *Change in Control Permits Purchase of notes by Amgen at the Option of the Holder*.

### ***Conversion During Month Prior to Maturity***

Notwithstanding anything herein to the contrary, holders may surrender the 2011 notes for conversion at any time on or after January 1, 2011 and the 2013 notes for conversion at any time on or after January 1, 2013, in each case until the close of business on the business day immediately preceding the applicable maturity date.

### ***Conversion Procedures***

To convert a note represented by a global security, a holder must convert by book-entry transfer to the conversion agent (which is initially the trustee) through the facilities of the DTC.

To convert a note that is represented by a certificated security (as defined below), a holder must:

complete and manually sign a conversion notice, a form of which is on the back of the note, and deliver the conversion notice to the conversion agent;

surrender the note to the conversion agent;

if required by the conversion agent, furnish appropriate endorsement and transfer documents; and

if required, pay all transfer or similar taxes.

On conversion of a note, a holder will not receive, except as described below, any cash payment representing accrued interest. Instead, accrued interest will be deemed paid by the shares of common stock (or any cash in lieu thereof) received by the holder on conversion. Delivery to the holder of the full number of shares of common stock into which the note is convertible (or any cash in lieu thereof), together with any cash payment, will thus be deemed:

to satisfy our obligation to pay the principal amount of a note; and

to satisfy our obligation to pay accrued and unpaid interest.

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As a result, accrued interest is deemed paid in full rather than cancelled, extinguished or forfeited. Holders of notes surrendered for conversion during the period from the close of business on any regular record date next preceding any interest payment date to the opening of business of such interest payment date will receive the semiannual interest payable on such notes on the corresponding interest payment date notwithstanding the

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conversion, and such notes upon surrender must be accompanied by funds equal to the amount of such payment; provided that no such payment need be made:

in connection with any conversion following the regular record date immediately preceding the final interest payment date;

if we have specified a change in control purchase date that is after a record date and on or prior to the corresponding interest payment date; or

to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such note.

We will not be required to convert any notes that are surrendered for conversion without payment of interest as required by this paragraph.

## **Adjustment To Conversion Rate**

### ***General***

The conversion rate on the applicable notes will not be adjusted for accrued interest. For a discussion of the tax treatment of a holder receiving cash or cash and shares of our common stock, upon surrendering notes for conversion, see Certain U.S. Federal Income Tax Considerations.

The conversion rate on the applicable notes will be adjusted for:

- (1) dividends or distributions on shares of our common stock payable in shares of common stock or other capital stock of ours;
- (2) subdivisions, combinations or certain reclassifications of shares of our common stock;
- (3) distributions to all holders of shares of our common stock of certain rights to purchase shares of our common stock for a period expiring within 60 days after the record date for such distribution at less than the average of the closing prices for the five consecutive trading days immediately preceding the first public announcement of the distribution;
- (4) distributions to all holders of shares of our common stock of our assets (including shares of any subsidiary or business unit of ours) or debt securities or certain rights to purchase our securities (excluding cash dividends or other cash distributions);
- (5) cash dividends or other cash distributions to all or substantially all holders of our common stock, other than distributions described in clause (6) below; and
- (6) distributions of cash or other consideration by us or any of our subsidiaries in respect of a tender offer or exchange offer for our common stock, where such cash and the value of any such other consideration per share of our common stock validly tendered or exchanged exceeds the closing price of our common stock on the trading day following the last date on which tenders or exchanges may be made pursuant to the tender or exchange offer.

In the event we elect to make a distribution described in clause (3) or (4) of the preceding paragraph which, in the case of (4), has a per share value equal to more than 15% of the closing price of shares of our common stock on the day preceding the declaration date for such distribution, we will be required to give notice to the holders of notes at least 20 days prior to the ex-dividend date for such distribution.

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In the event that we pay a dividend or make a distribution on shares of our common stock consisting of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, the conversion rate will be adjusted

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based on the market value of the securities so distributed relative to the market value of our common stock, in each case based on the average closing prices of those securities for the ten trading days commencing on and including the fifth trading day after the date on which ex-dividend trading commences for such dividend or distribution on the principal United States securities exchange or market on which the securities are then listed or quoted.

Subject to the provisions of the applicable indenture, if we distribute cash in accordance with clause (5) above, then we will adjust the conversion rate based on the following formula:

$$R1 = R \times \frac{M}{(M - C)}$$

where,

R1 = the adjusted conversion rate;

R = the conversion rate in effect immediately prior to the time of determination (as defined below);

M = the average of the closing prices of our common stock for the five consecutive trading days prior to the trading day immediately preceding time of determination; and

C = the amount in cash per share we distribute to holders of our common stock (and for which no adjustment has been made).

The time of determination means the time and date of the earlier of (i) the determination of stockholders entitled to receive rights, warrants or options or a distribution, in each case, to which certain sections of the applicable indenture applies and (ii) the ex-dividend time, which is the time immediately prior to the commencement of ex-dividend trading for such rights, warrants or options or distribution on the Nasdaq National Market or such other national or regional exchange or market on which our common stock is then listed or quoted.

No adjustment to the conversion rate will be made if holders of the applicable notes will participate in the transaction without conversion or in certain other cases.

If the shareholders rights plan under which any rights are issued provides that each share of common stock issued upon conversion of notes (or cash in lieu thereof) at any time prior to the distribution of separate certificates representing such rights will be entitled to receive such rights, there shall not be any adjustment to the conversion privilege or conversion rate as a result of:

the issuance of the rights;

the distribution of separate certificates representing the rights;

the exercise or redemption of such rights in accordance with any rights agreement; or

the termination or invalidation of the rights.

In the event of an adjustment of a conversion rate the holders of the applicable notes may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal income tax as a dividend.

If we make a distribution to holders of our common stock and the applicable conversion rate is increased, this increase may be deemed to be the receipt of taxable income by holders of the notes and may result in withholding taxes for holders (including backup withholding taxes or withholding taxes on payments to foreign persons). Because this deemed income would not give rise to any cash from which any applicable withholding tax could be satisfied, if we pay withholding taxes on behalf of a holder, we may, at our option, set-off such payments against

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payments of cash and common stock on the notes. See the discussions under the headings Certain U.S. Federal Income Tax Considerations Consequences to U.S. Holders Distributions, Certain U.S. Federal Income Tax

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Considerations Consequences to U.S. Holders Constructive Distributions and Certain U.S. Federal Income Tax Considerations Consequences to Non-U.S. Holders Dividends and Constructive Distributions for more details.

Notwithstanding anything in this section Adjustment to the Conversion Rate to the contrary, we will not be required to adjust the conversion rate unless the adjustment would result in a change of at least 1% of the conversion rate. However, we will carry forward any adjustments that are less than 1% of the conversion rate and take them into account when determining subsequent adjustments. In addition, we will make any carry forward adjustments not otherwise effected on each anniversary of the first issue date of the notes, upon conversion of the notes, upon required purchases of the notes in connection with a change in control and five business days prior to the stated maturity of each series of the notes. Except as stated above, the conversion rate will not be adjusted for the issuance of our common stock or any securities convertible into or exchangeable for our common stock or carrying the right to purchase our common stock or any such security.

Notwithstanding anything in this section Adjustment to the Conversion Rate to the contrary, the conversion rate shall not exceed 13.9024 per \$1,000 principal amount of notes, other than on account of adjustments to the conversion rate in the manner set forth in clauses (1) through (5) above.

***Adjustment to Conversion Rate Upon a Change in Control***

If a change in control occurs and a holder elects to convert its notes in connection with such change in control, we will increase the applicable conversion rate for the notes surrendered for conversion by a number of additional shares of our common stock (the make-whole shares), as described below. A conversion of notes will be deemed for these purposes to be in connection with such a change in control transaction if the notice of conversion of the notes is received by the conversion agent from and including the date that is ten trading days prior to the anticipated effective date of the change in control up to and including the trading day prior to the related purchase date.

The number of make-whole shares will be determined by reference to the table below and is based on the date on which such change in control transaction becomes effective (the change in control effective date) and the price (the stock price) paid per share of common stock in such transaction. If the holders of our common stock receive only cash in the change in control transaction, the stock price shall be the cash amount paid per share of common stock. Otherwise, the stock price shall be the average of the closing sale prices of our common stock on the ten consecutive trading days up to but excluding the change in control effective date.

The stock prices set forth in the first column of the table will be adjusted as of any date on which the conversion rate of the notes is adjusted. The adjusted stock prices will equal the stock prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the applicable conversion rate immediately prior to the adjustment giving rise to the stock price adjustment and the denominator of which is the applicable conversion rate as so adjusted. In addition, the number of make-whole shares will be subject to adjustment in the same manner as the applicable conversion rate as set forth above under Adjustment To Conversion Rate General.



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*2001 Notes Make-Whole Table*

The following table sets forth the stock price and number of make-whole shares of our common stock to be received per \$1,000 principal amount of 2011 notes:

<b>Stock Price on Effective Date</b>	<b>Effective Date</b>
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