CHEESECAKE FACTORY INC
Form PRE 14A
March 20, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

ý Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

o Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

The Cheesecake Factory Incorporated

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

__________, 2008

Dear Stockholder:

You are cordially invited to attend The Cheesecake Factory Incorporated Annual Meeting of Stockholders on Thursday, May 22, 2008 at 10:00 a.m. (Pacific Daylight Time). The meeting will be held at the Janet and Ray Scherr Forum Theatre, Thousand Oaks Civic Arts Plaza, 2100 Thousand Oaks Boulevard, Thousand Oaks, California 91362.

The matters to be acted upon at the meeting are described in the attached Notice of Annual Meeting and Proxy Statement. Our agenda for the Annual Meeting will also include an overview of our business operations and recent performance results.

Regardless of whether or not you will attend, please vote by signing, dating and returning the enclosed Proxy Card, or you can vote by telephone or Internet (see back cover). Voting by mail will not prevent you from voting in person at the meeting.

Sincerely,

David Overton
Chairman of the Board and Chief Executive Officer

YOUR VOTE IS VERY IMPORTANT

Whether or not you plan to attend the Annual Meeting of Stockholders, and to ensure that a quorum is present, you are urged to vote your proxy by telephone or the Internet (see back cover), or by returning the Proxy Card by mail. If you are able to attend the meeting and you wish to vote your shares in person, the proxy is revocable.

IF YOU PLAN TO ATTEND THE MEETING

Please note that attendance will be limited to stockholders. Admission will be on a first-come, first-served basis. Stockholders may be asked to present valid picture identification, such as a driver's license or passport. Stockholders holding stock in brokerage accounts ("street name" holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting.

THE CHEESECAKE FACTORY INCORPORATED

26901 Malibu Hills Road
Calabasas Hills, California 91301

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
on
May 22, 2008

The 2008 Annual Meeting of Stockholders of THE CHEESECAKE FACTORY INCORPORATED (the "Company") will be held at the Janet and Ray Scherr Forum Theatre, Thousand Oaks Civic Arts Plaza, 2100 Thousand Oaks Boulevard, Thousand Oaks, California 91362, on Thursday, May 22, 2008, beginning at 10:00 a.m. Pacific Daylight Time, for the following purposes:

1. To elect two nominees to serve as directors of the Company for three-year terms and until respective successors shall be elected and qualified;
2. To approve an amendment to the Company's Amended and Restated 2001 Omnibus Stock Incentive Plan;
3. To approve amendments to the Company's Certificate of Incorporation to eliminate the classified Board of Directors and make conforming changes to the Company's Certificate of Incorporation;
4. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 30, 2008; and
5. To transact such other business as may properly come before the meeting or any adjournment thereof.

At the Annual Meeting, the Board of Directors intends to present David Overton and Agnieszka Winkler for election to the Board of Directors.

The Board of Directors has fixed the close of business on March 31, 2008 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof.

By Order of the Board of Directors,

Debby R. Zurzolo
Secretary

Calabasas Hills, California
____________, 2008

YOUR VOTE IS VERY IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN. PLEASE READ CAREFULLY THE ATTACHED PROXY STATEMENT, COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD, AND RETURN THE PROXY CARD AS SOON AS POSSIBLE.

THE CHEESECAKE FACTORY INCORPORATED

PROXY STATEMENT
FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 22, 2008

General

This Proxy Statement is furnished to the stockholders of THE CHEESECAKE FACTORY INCORPORATED (the "Company" and "we," "us" or "our") in connection with the solicitation of proxies by our Board of Directors for use at the Annual Meeting of Stockholders to be held at the Janet and Ray Scherr Forum Theatre, Thousand Oaks Civic Arts Plaza, 2100 Thousand Oaks Boulevard, Thousand Oaks, California 91362, on May 22, 2008, beginning at 10:00 a.m. Pacific Daylight Time, and at any adjournment or postponement thereof. We intend to cause this Proxy Statement and form of proxy to be mailed to stockholders on or about ____________, 2008.

Voting; Quorum; Abstentions and Broker Non-Votes

On March 31, 2008, the record date fixed by the Board of Directors for the Annual Meeting, __________ shares of our common stock were outstanding and there were no outstanding shares of any other class of stock. Each holder of common stock is entitled to one vote for each share of such stock held of record. Only stockholders of record at the close of business on March 31, 2008 will be entitled to notice of and to vote at the Annual Meeting.

The required quorum for the transaction of business at the Annual Meeting is a majority of the issued and outstanding shares of our common stock entitled to vote at the Annual Meeting, whether present in person or represented by proxy. Our Bylaws provide that unless otherwise provided by law or by the Certificate of Incorporation or the Bylaws, all elections and questions other than the election of directors shall be decided by the vote of the holders of a majority of the outstanding shares of stock entitled to vote thereon present in person or by proxy at the Annual Meeting. Shares of stock represented by a properly signed and returned proxy will be treated as present at the Annual Meeting for purposes of determining a quorum, regardless of whether the proxy is marked as casting a vote or abstaining. Shares of voting stock represented by "broker non-votes" (i.e., shares of stock held in record name by brokers or nominees as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote; (ii) the broker or nominee does not have discretionary voting power under applicable rules or the instrument under which it serves in such capacity; or (iii) the record holder has indicated on the proxy card or has executed a proxy and otherwise notified us that it does not have authority to vote such shares on that matter) shall be treated as present for purposes of determining a quorum.

Directors are elected by a plurality of the votes cast. Accordingly, abstentions and broker non-votes will not affect the election of a candidate who receives a plurality of votes. Proposals 2and 4 each require the approval of a majority of the outstanding shares of stock entitled to vote thereon present in person or proxy at the Annual Meeting. Accordingly, abstentions as to each of these proposals will have the same effect as votes against the proposal. Broker non-votes as to Proposals 2 and 4, however, will be deemed shares not entitled to vote on the proposal, will not be counted as votes for or against the proposals, and will not be included in calculating the number of votes necessary for approval of the proposals. Proposal 3 requires the affirmative vote of the holders of at least eighty percent (80%) of the combined voting power of our common stock. Accordingly, abstentions and broker non-votes will have the same effect as voting against Proposal 3.

Proxies

Proxies delivered pursuant to this solicitation are revocable at the option of the persons executing the same, prior to their exercise, by attendance and voting at the Annual Meeting (although attendance at the Annual Meeting itself will not revoke a proxy) or by filing written Debby R. Zurzolo, our Secretary, a written notice revoking the proxy or another duly executed proxy bearing a later date. Unless previously revoked, all proxies representing shares entitled to vote that are delivered pursuant to this solicitation will be voted at the Annual Meeting by the named attorneys-in-fact and agents, to the extent authorized, in accordance with the directions contained therein.

If no directions are given, the shares represented by such proxies will be voted **FOR** the election of the nominees for directors, David Overton and Agnieszka Winkler; **FOR** the approval of an amendment to the Company's Amended and Restated 2001 Omnibus Stock Incentive Plan; **FOR** the approval of the amendments to the Company's Certificate of Incorporation to declassify the Board of Directors; and **FOR** the ratification of the selection of PricewaterhouseCoopers LLC as the Company's independent registered public accounting firm for the fiscal year ending December 30, 2008; The named proxies may vote in their discretion upon such other matters as may properly come before the Annual Meeting, including any motion made for adjournment or postponement (including for purposes of soliciting additional votes).

Solicitation

We will pay for the cost of preparing, assembling and mailing the Notice of Annual Meeting and Proxy Statement and the cost of this solicitation. Our directors, officers and other staff members may solicit proxies, without additional remuneration, in person or by telephone or facsimile transmission. Banks, brokerage houses and other custodians, nominees or fiduciaries will be requested to forward soliciting material to their principals and to obtain authorization for the execution of proxies, and will be reimbursed for their reasonable out-of-pocket expenses incurred in that regard. Our staff members participating in a solicitation of proxies will not receive any additional remuneration. We have retained MacKenzie Partners, Inc., a proxy soliciting firm, to provide advice with respect to the 2008 Annual Meeting of Stockholders and MacKenzie Partners, Inc. may assist in the solicitation of proxies for an estimated total fee of $60,000, plus reimbursement of certain out-of-pocket expenses.

Important Notice regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 22, 2008: This Proxy Statement and our 2007 Annual Report to Stockholders are available at __________________.

PROPOSAL 1

ELECTION OF DIRECTORS

Our Bylaws provide for a Board of Directors consisting of no less than five and no more than thirteen members, the exact number within this range being determined by the Board of Directors. The Board of Directors has currently set the number of directors at eight. The Board of Directors is classified into three classes with each director serving a three-year term. David Overton and Agnieszka Winkler are serving terms that will expire at the Annual Meeting of Stockholders to be held in 2008. Allen J. Bernstein, Jerome I. Kransdorf and Wayne H. White are serving terms that will expire at the Annual Meeting of Stockholders to be held in 2009. Alexander L. Cappello, Thomas L. Gregory and David R. Klock are serving terms that will expire at the Annual Meeting of Stockholders to be held in 2010. At each Annual Meeting of Stockholders, directors are elected for a full term of three years to succeed those directors whose terms are expiring. If the stockholders approve the proposed amendments to the Company's Certificate of Incorporation, all directors will be elected for a one-year term beginning with the 2011 Annual Meeting of Stockholders. *See* Proposal No. 3, *"Approval of Amendments to the Certificate of Incorporation to Eliminate the Classified Board of Directors, to Permit Removal of Directors with or without*

Cause, and to Eliminate the Supermajority Vote Requirement with Respect to Article FIFTH of the Certificate of Incorporation".

The Corporate Governance and Nominating Committee of the Board of Directors ("Governance Committee") has recommended the nomination of David Overton and Agnieszka Winkler for reelection to the Board of Directors for three-year terms that will expire at the Annual Meeting of Stockholders to be held in 2011. Mr. Overton is our current Chairman of the Board and Chief Executive Officer. Ms. Winkler was recommended by a non-management director for consideration by the Governance Committee and was appointed by the Board of Directors in fiscal 2007 to fill a vacancy. The Board of Directors approved the Governance Committee's recommendations and nominated Mr. Overton and Ms. Winkler, each of whom has indicated his or her willingness to serve. Unless a stockholder specifies otherwise, the shares represented by each returned proxy will be voted **FOR** the election of Mr. Overton and Ms. Winkler.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE *FOR* THE ELECTION OF MR. OVERTON AND MS. WINKLER TO THE BOARD OF DIRECTORS.

Our Board of Directors

DAVID OVERTON, age 62, co-founded our predecessor with his parents. He has served as our Chairman of the Board and Chief Executive Officer since its incorporation in February 1992.

ALLEN J. BERNSTEIN, age 62, became a director of the Company in February 2008. Mr. Bernstein is the President of Endeavor Restaurant Group, Inc. He founded and served as Chairman and Chief Executive Officer of Morton's Restaurant Group, Inc. from 1989 through 2005 and presently serves as its Chairman Emeritus. He currently serves on the boards of directors of a number of privately held companies, including Charlie Brown's Steakhouse, Caribbean Restaurants, LLC, and Bravo Development, Inc. In addition, Mr. Bernstein is non-executive Chairman of the Board of Perkins & Marie Callenders, Inc., as well as Director Emeritus of McCormick & Schmick's Seafood Restaurants. He also serves on both the Board of Directors and Board of Trustees of the American Film Institute.

ALEXANDER L. CAPPELLO, age 52, became a director of the Company in February 2008. Mr. Cappello is Chairman and Chief Executive Officer of Cappello Capital Corp., a global merchant banking firm, which has conducted business in 50 countries where its principals have completed over $110 billion in transactions. Mr. Cappello has more than 30 years of global experience in corporate management, corporate finance, and investment banking and merchant banking. He currently serves as a Trustee for the University of Southern California and past President of its Alumni Association Board of Governors. In addition, he serves as a Trustee of the City of Hope, and a director of California Republic Bank and the RAND Corporation Center for Middle East Public Policy. Mr. Cappello previously served as Chairman of the International Board of the Young Presidents Organization, Chairman of Inter-Tel (Delaware), Incorporated and has served as a director for a number of public companies prior to their acquisition or privatization, including Koo Koo Roo, Inc., Cytrx Corp., and Genius Products, Inc.

THOMAS L. GREGORY, age 72, became a director of the Company upon the consummation of our initial public offering in September 1992. Mr. Gregory has over 50 years of experience in the food service industry. He served as Vice Chairman of the Board of Directors of Sizzler International, Inc., a restaurant chain, until August 1994. Mr. Gregory served as President, Chief Executive Officer and a member of the Board of Directors of Sizzler from 1982 to 1991, and then served as President of its successor company until his retirement in 1992. From 1974 to 1991, he served as Vice President for Collins Foods International, Inc., a food service company, and retained such position concurrently with his positions at Sizzler. Mr. Gregory is a member of the Board of Directors of Regis Corporation, the world's largest chain of retail hair care operations.

DAVID R. KLOCK, Ph.D., age 63, became a director of the Company in December 2006. He is currently the Wachovia Chair in Business and Dean of the School of Business at the University of Alabama

at Birmingham. From 2005 until 2008, Dr. Klock was Dean of the College of Business Administration at California State Polytechnic University in Pomona, California. In 2004, Dr. Klock was appointed Chairman of CompBenefits Corporation, an Atlanta, Georgia-based provider of dental and vision plans to over 4.5 million members in the United States. From 1993 to 2004, Dr. Klock served as Chairman and Chief Executive Officer of CompBenefits and from 1991 to 1993, he served as President.

JEROME I. KRANSDORF, age 69, became a director of the Company in March 1997. Mr. Kransdorf has more than 40 years of investment management experience. He currently serves as President of JaK Direct, a division of Muriel Siebert & Co., Inc. From 1997 to 2001, Mr. Kransdorf served as Senior Vice President of J. & W. Seligman & Co. Incorporated, an investment advisory firm. From 1959 to 1997, he was employed in investment and senior management positions at Wertheim & Co. and its successor companies.

WAYNE H. WHITE, age 70, became a director of the Company upon the consummation of our initial public offering in September 1992. From 1983 until his retirement in June 2002, Mr. White was an investment banker specializing in gaming and restaurant companies. Mr. White has approximately 20 years of senior management experience in the restaurant industry, including Victoria Station (seven years) and Famous Restaurants (two years). He is also a member of the Board of Directors of Nevada Gold & Casinos, Inc.

AGNIESZKA WINKLER, age 62, became a director of the Company in May 2007. Ms. Winkler is the founder and Chairperson of The Winkler Group, a San Francisco-based management consultancy specializing in branding and marketing efficiency and effectiveness. She is also the founder and former Chairperson and Chief Executive Officer of Winkler Advertising, founded in 1984, and Team Toolz Inc., founded in 1999, both of which were acquired. Ms. Winkler has served on the Boards of Directors of the following NASDAQ-listed companies before they were acquired: Inter-Tel (Delaware), Incorporated, Reno Air, Inc. and SuperCuts, Inc.. In addition, she served as Vice Chairperson of the Board of Directors of IPLocks, Inc., a privately held company. Ms. Winkler currently serves on the Board of Trustees of Santa Clara University and is Vice Chair of the Committee of 200 Foundation. Ms. Winkler is the author of "Warp Speed Branding," published by Wiley in the United States, China, and Turkey.

The Company's Director Nominations Process

The Board of Directors has adopted a Policy and Procedure Regarding Board of Director Candidates (the "Nominations Policy"). The purpose of the Nominations Policy is to describe the process by which candidates are selected for possible inclusion in our recommended slate of director nominees. The Governance Committee of the Board of Directors administers the Nominations Policy.

The Governance Committee is responsible for identifying candidates for nomination or appointment to the Board of Directors. To fulfill this function, the Governance Committee will at least annually review the size and composition of the Board of Directors and its committees, including the number of directors eligible for election at the annual meeting of stockholders, in accordance with our Articles of Incorporation and Bylaws. The Governance Committee may solicit recommendations for nominees from other directors, members of management or others. In addition, the Governance Committee will consider recommendations of a stockholder of record who timely complies with these policies and procedures.

Minimum Qualifications

The Governance Committee has identified the following minimum qualifications for candidates for nomination to the Board of Directors:

- Each candidate must consent in writing to be named in our proxy statement as a nominee and to serve as a director of the Company if nominated, elected or appointed, and qualified.

- Each candidate's service as a director must not cause us or any of our subsidiaries to lose, or to be threatened with the loss of any application for, right to the use of, or entitlement to, any material governmental license, authorization or permit.

- Each candidate shall be an individual who has demonstrated integrity and ethics in his/her personal and professional life and has established a record of professional accomplishment in his/her chosen field.

- Each candidate shall be prepared to represent the best interests of all of our stockholders and not just one particular constituency.

- No candidate or family member (as defined in the NASDAQ rules) of a candidate may have any current material personal, financial or professional interest in any company determined by the Governance Committee to be a significant competitor of ours.

- Each candidate must be prepared to participate fully in Board activities, including active membership on at least one Board committee, and not have other personal or professional commitments that would, in the Governance Committee's sole judgment, interfere with or limit his or her ability to do so.

- Each candidate may not serve as a member of the board of directors of more than four publicly traded companies in addition to us.

- Each candidate shall not have attained the age of 72 as of the date of appointment or election to the Board.

Criteria for Evaluating Candidates

In evaluating nominations, the Committee will seek to achieve a balance of different capabilities and overall diversity, including in the areas of personal and professional experiences and backgrounds, financial, managerial and operational knowledge; variety of opinions and perspectives; and other differentiating characteristics with the goal of seeking and selecting candidates that will enhance the Board's ability to adequately perform its responsibilities, increase shareholder value, and adhere to good corporate governance practices. The Committee will consider the following criteria in evaluating candidates for nomination in light of the size and composition of the Board of Directors and its committees:

- Satisfaction of the minimum qualifications established by the Committee.

- Education and other training.

- Relevant personal and professional background, including financial, managerial and operational skills and knowledge and experience in both corporate and non-traditional environments, such as government, academia and non-profit organizations.

- Whether the candidate is a party to any action or arbitration adverse to us or any of our subsidiaries.

- Whether the candidate would qualify as an "independent" director as defined by The NASDAQ Stock Market listing standards.

- Whether the candidate would qualify as an "audit committee financial expert."

- Whether the candidate has been involved in any legal proceeding that would be required to be disclosed by us pursuant to Item 401(f) of Regulation S-K.

Whether any business relationships exist, or have existed, that would be required to be disclosed pursuant to Item 404 of Regulation S-K.

The candidate's reputation for judgment and honesty.

Whether we would be required to disclose any of the relationships described in Section 407(e) of Regulation S-K.

The number and identity of any other boards of directors of which the candidate is a member.

Other professional and personal commitments that could affect the candidate's ability to serve.

Whether the candidate has provided accurate and complete responses to any requests for additional information by the Committee.

Other relevant characteristics that would enhance the Board's ability to adequately perform its responsibilities, increase shareholder value, and adhere to good corporate governance practices.

Any history of criminal convictions.

If requested by the Committee, whether the candidate has agreed to be interviewed by the Committee.

General Nomination Right of All Stockholders

Any of our stockholders may nominate one or more persons for election as a director of the Company at an annual meeting of stockholders if the stockholder complies with the advance notice, information and consent provisions contained in our Bylaws. Nominations for the election of directors, other than by the Governance Committee or the Board of Directors, must be made by a stockholder of record on the date of giving notice and on the record date for such meeting by giving timely written notice to our Secretary at our principal offices. Such notice must be received within a minimum of 90 days and a maximum of 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided that if notice or prior public disclosure of the date of the annual meeting is given or made to the stockholders for a meeting date that is not within 30 days before or after the anniversary of the immediately preceding annual meeting of stockholders, notice by the stockholder will be timely if received not later than the close of business on the tenth day following the day on which such notice was mailed or such public disclosure was made, whichever first occurs, or no less than 90 days or more than 120 days prior to the annual meeting. In the event that the number of a class of directors to be elected is increased and we make no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice will be considered timely, but only with respect to nominees for any new positions created by the increase, if the notice is delivered to, or mailed and received at, our principal executive offices (addressed to our Secretary) no later than 10 calendar days following the day on which we make the public announcement. In the case of a special meeting of stockholders called for the purpose of electing directors, notice will be timely if the stockholder provides written notice to our Secretary not later than the close of business on the tenth day following the day on which notice of the date of the special meeting was mailed or public disclosure of the meeting date was made, whichever first occurs, or no less than 90 or more than 120 days prior to the meeting. The stockholder's notice must include all of the information required by our Bylaws, including a statement whether the stockholder intends to deliver a proxy statement and form of proxy to a sufficient number of holders to elect the nominee or nominees. If the stockholder provides a statement that the stockholder intends to deliver a proxy statement and form of proxy, the nomination may not be brought before the meeting unless the stockholder has delivered a proxy statement and form of proxy to holders of a percentage of our voting shares reasonably believed by the stockholder to be sufficient to elect the nominee or nominees proposed by the stockholder.

The foregoing summary does not purport to be a complete description of all of the provisions of our Bylaws pertaining to stockholder nominations and proxies. Stockholders may obtain, without charge, a copy of our Bylaws upon written request to our Secretary at our principal executive offices. Our Bylaws are

also available on website at *www.thecheesecakefactory.com* by clicking on the links for "Investors," "Corporate Governance" and "Bylaws."

Stockholder Recommendations to the Governance Committee

A stockholder of record may also recommend a candidate for consideration by the Governance Committee. In order to give the Governance Committee sufficient time to evaluate a recommended candidate, the recommendation should be received by our Secretary at our principal executive offices no later than the 120th calendar day before the date of our proxy statement released to stockholders in connection with the previous year's annual meeting of stockholders. With respect to the 2009 Annual Meeting of Stockholders, recommendations must be received by December ____, 2008. The stockholder's recommendation must include all of the following:

The stockholder's name, address and telephone number.

The recommended candidate's name, address and telephone number.

The written consent of the recommended candidate to be named in our proxy statement and to serve as a director if nominated, elected or appointed, and qualified to serve.

A description of all arrangements or understandings in connection with such recommendation between the stockholder and the recommended candidate or between the stockholder and any other person or persons (including their names).

A description of any business, familial or other financial or personal relationship between the stockholder and the recommended candidate.

Information with respect to the recommended candidate with respect to each of the criteria identified above for evaluating recommendations.

Evaluation of Candidates

The Governance Committee will consider all candidates identified through the process outlined above, and will evaluate each of them, including incumbents, based on the same criteria. If, based on the Governance Committee's initial evaluation, a candidate continues to be of interest to the Governance Committee, the Chair of the Governance Committee will interview the candidate and communicate the Chair's evaluation to the other committee members and the Chairman of the Board of Directors. Other members of the Governance Committee and senior Company management will conduct subsequent interviews. Ultimately, background and reference checks will be conducted and the Governance Committee will meet to finalize its list of recommended candidates for consideration by the full Board of Directors. If an incumbent is nominated, the interview process may be abbreviated at the discretion of the Chair of the Governance Committee. If the Chair of the Governance Committee is being considered for re-nomination, the other Governance Committee members shall appoint another member of the Governance Committee to head the review process for the Chair's reconsideration.

Future Revisions to the Nominations Policy

The Governance Committee's Nominations Policy is intended to provide a flexible set of guidelines for the effective functioning of the director nomination process. The Governance Committee intends to review this policy and procedure at least annually and anticipates that modifications will be necessary from time to time as our needs and circumstances evolve, and to conform with changes in applicable legal or listing standards.

Affirmative Determinations Regarding Director Independence and Other Matters

The Board of Directors has determined each of the following directors to be an "independent director" as such term is defined in NASD Marketplace Rule 4200(a)(15): Allen J. Bernstein; Alexander L. Cappello; Thomas L. Gregory; David R. Klock; Jerome I. Kransdorf; Wayne H. White; and Agnieszka Winkler. In this Proxy Statement, these seven directors are referred to individually as an "Independent Director" and collectively as the "Independent Directors." In addition, the Board of Directors has determined that Karl Matthies, who resigned from the Board of Directors effective May 3, 2007, was an "Independent Director."

The Board of Directors has established three standing committees and two special committees. The three standing committees of the Board include the Governance Committee, Audit Committee and Compensation Committee. In addition, a Special Litigation Committee and a Special Committee were formed in fiscal 2007. With the assistance of our legal counsel, the Board of Directors reviewed the applicable legal standards for independence and criteria for determination of "audit committee financial expert" as well as responses to annual questionnaires completed by the directors. The Board of Directors has also determined that each member of the five committees of the Board of Directors meets the independence requirements applicable to those committees prescribed by the NASD Marketplace Rules, and has further determined that Thomas L. Gregory, Coordinating Director and the chair of the Audit Committee of the Board of Directors, is an "audit committee financial expert" as such term is defined in Item 407(d)(5)(ii) of Regulation S-K adopted by the Securities and Exchange Commission (SEC).

Coordinating Director

Annually, the Independent Directors of the Board of Directors select from among their group one Independent Director to serve as "Coordinating Director." The role of the Coordinating Director is to coordinate the activities of the Independent Directors, coordinate the agenda and materials for meetings of the Board of Directors, advise the Chairman of the Board of Directors concerning scheduling of meetings, preside at all executive session meetings of the Independent Directors, coordinate any self-evaluation of performance of the Board of Directors and serve as the principal liaison between the Independent Directors and our Chairman of the Board and Chief Executive Officer. Mr. Gregory currently serves as Coordinating Director.

Corporate Governance

The Board of Directors is committed to ethical business practices and believes that good corporate governance is important to ensure that the Company is managed for the long-term benefit of its stockholders.

The Independent Directors meet regularly in executive session without management. The Coordinating Director leads these executive session meetings. Currently, all directors except for one, David Overton, are Independent Directors. In addition, each member of all five committees of the Board of Directors is an Independent Director. Additional information regarding Board committees appears in the section of this Proxy Statement entitled "Committees of the Board of Directors."

We make available on our website the policy that the Board of Directors has adopted for stockholders and employees who wish to communicate any concern directly with the Board of Directors. The policy can be found at *www.thecheesecakefactory.com* by clicking on the links for "Investors," "Corporate Governance" and "Governance Principles and Guidelines," and the document entitled "Corporate Governance Principles and Guidelines."

Board of Directors and Committee Meetings, Committee Members and Chairpersons, Attendance and Fees

During fiscal 2007, the Board of Directors held 16 meetings; the Audit Committee held nine meetings; the Compensation Committee held 17 meetings; and the Governance Committee held five meetings. In addition, the Independent Directors of the Company held four executive sessions. Meetings include both in-person and telephonic meetings. No member of the Board of Directors attended fewer than 75% of the aggregate number of meetings of the Board of Directors and the committees on which he or she served. We make available on our website the policy that the Board of Directors has adopted regarding Board members' attendance at our Annual Meeting of Stockholders and our procedure for annual committee membership and chairperson assignments. Five of our six directors then in office attended the 2007 Annual Meeting of Stockholders. The remaining director was unable to attend due to a previously scheduled travel commitment. The policy can be found at *www.thecheesecakefactory.com* by clicking on the links for "Investors," "Corporate Governance" and "Governance Principles and Guidelines," and the document entitled "Corporate Governance Principles and Guidelines."

The following table sets forth certain information regarding the compensation earned by or awarded to each Independent Director who served on our Board of Directors in fiscal 2007. Mr. Overton is an employee of The Cheesecake Factory Incorporated and is not compensated for his services as a director.

DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash $	Option Awards $(1)(2)(3)	Total $
Allen J. Bernstein(4)			
Alexander L. Cappello(4)			
Thomas L. Gregory(5)	53,500	105,830	159,330
David R. Klock	48,500	105,830	154,330
Jerome I. Kransdorf(5)	46,000	105,830	151,830
Karl L. Matthies(5)(6)	8,750		8,750
Wayne H. White(5)	46,000	105,830	151,830
Agnieszka Winkler(7)	20,500	408,272	428,772

(1) The dollar amounts listed do not necessarily reflect the dollar amounts of compensation actually realized or that may be realized. In accordance with SEC regulations, these amounts reflect the dollar amounts recognized for financial statement reporting purposes for fiscal 2007 in accordance with the provisions of Financial Accounting Standards Board ("FASB") Statement No. 123(R), "Share-Based Payment" ("SFAS 123R"), ignoring estimates of forfeitures for service based vesting conditions. See Note 11 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended January 1, 2008 filed with the SEC on February 28, 2008 for information regarding assumptions underlying the valuation of equity awards. The grant date fair value of the stock option awards granted in fiscal 2007 (computed in accordance with SFAS 123R), was $151,221 for each of Messrs. Gregory, Klock, Kransdorf and White, and was $453,663 for Ms. Winkler.

(2) As of January 1, 2008, each Independent Director held options exercisable for the following number of shares of our common stock: Thomas L. Gregory, 80,625; David R. Klock, 37,500; Jerome I. Kransdorf, 41,250; Karl L. Matthies, 37,500; Wayne H. White, 80,625; and Agnieszka Winkler, 37,500.

(3)

Under the terms of the Amended and Restated 1997 Non-Employee Director Stock Option Plan ("Non-Employee Director Plan"), Independent Directors were eligible to receive options to purchase shares of our common stock. Because the plan expired in May 2007, no further options may be granted under that plan. During fiscal 2006, the Board of Directors approved grants of 7,500 options in January 2006 for services in fiscal 2006 and 7,500 options in December 2006 for services in fiscal 2007 to each Independent Director then serving on the Board under the Non-Employee Director Plan at exercise prices equal to the fair market value on the respective dates of grant. These options vested on the date of grant.

During fiscal 2007, the Board of Directors approved grants to each Independent Director (other than Messrs. Bernstein, Cappello and Matthies) under the Non-Employee Director Plan of 15,000 options in May 2007, of which 7,500 options were for services in fiscal 2008 and vested on December 31, 2007 and 7,500 options were for services in fiscal 2009 and will vest on December 31, 2008.

(4)

Mr. Bernstein and Mr. Cappello were appointed to the Board of Directors effective February 12, 2008.

(5)

Fees were earned, but not paid in cash, as Mr. Gregory, Mr. Kransdorf, Mr. Matthies and Mr. White each elected to have his fees paid to a nonqualified deferred compensation plan account administered under The Cheesecake Factory Incorporated Executive Savings Plan ("Executive Savings Plan").

(6)

Mr. Matthies resigned from our Board of Directors and its Audit, Compensation and Governance Committees effective May 3, 2007.

(7)

Ms. Winkler was appointed to our Board of Directors effective May 3, 2007.

During fiscal 2007, each Independent Director received an annual fee of $35,000, plus $1,500 for each meeting of the Board of Directors attended. The Coordinating Director received an annual fee of $7,500. The Chairs of the Audit, Compensation and Governance Committees each received an annual fee of $5,000. The Chair of the Special Litigation Committee received an annual fee of $7,500. Independent Directors who served on committees would have received an additional fee of $1,250 for each meeting attended that takes place on a date other than the day of a regularly scheduled Board of Directors meeting; however, no such meetings were held in fiscal 2007. In determining to increase the cash portion of the annual fee, the committee chair and meeting attendance fees for fiscal 2007, the Board of Directors reviewed total compensation packages provided to directors at other companies within our sector and other companies of our size and determined that a modest increase in the cash portion of such fees was warranted. No fees were paid to Independent Directors with respect to attendance at telephonic meetings of the Board of Directors or a committee, or with respect to attendance at executive sessions of the Board of Directors.

During fiscal 2008, each Independent Director will receive an annual fee of $35,000, plus $1,500 for each meeting of the Board of Directors attended. The Coordinating Director will receive an annual fee of $7,500. The Chairs of the Audit, Compensation and Governance Committees will each receive an annual fee of $5,000. The Chair of the Special Litigation Committee will receive an annual fee of $7,500. The Chair of the Special Committee will receive a fee of $60,000 and each member serving on the Special Committee will receive a fee of $40,000 for service through March 31, 2008, in addition to meeting fees (both telephonic and in-person meetings) of $1,500 per meeting. Independent Directors who serve on committees will also receive an additional fee of $1,250 for meetings attended that take place on a date other than the day of a regularly scheduled Board of Directors meeting. No fees are paid to Independent Directors with respect to attendance at telephonic meetings of the Board of Directors or a committee, or with respect to attendance at executive sessions of the Board of Directors. In fiscal 2008, the Compensation Committee directly engaged a consultant, Radford Surveys + Consulting, to review director compensation. Following the review of the consultants' report, which compared our director compensation to that of a peer group, the Compensation Committee recommended, and the Board of Directors

approved, the foregoing compensation structure for Fiscal 2008. With respect to Messrs. Bernstein and Cappello, the Board intends to make either a one-time grant of stock options to each person to purchase 30,000 shares (assuming Proposal 2 in this Proxy Statement is approved by stockholders) or a cash payment of $100,000 for services as a new director.

Members of the Board of Directors are also eligible to participate in the Executive Savings Plan, a nonqualified deferred contribution plan, by contributing all or a portion of their director fees to this plan. See "Executive Compensation Nonqualified Deferred Compensation." We do not make matching contributions under the Executive Savings Plan with respect to contributions made by non-employee Board of Director members.

Each Independent Director is entitled to reimbursement for reasonable out-of-pocket expenses incurred in connection with travel to and from, and attendance at, meetings of the Board of Directors or its committees and related activities, including director education courses and materials.

Indemnification of Officers and Directors

As permitted by the Delaware General Corporation Law, our Certificate of Incorporation limits the personal liability of our directors for monetary damages for breach of fiduciary duty of care as a director. Liability is not eliminated for (a) any breach of the director's duty of loyalty to us or our stockholders, (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) unlawful payment of dividends or stock purchases or redemptions pursuant to Section 174 of the Delaware General Corporation Law, or (d) any transaction from which the director derived an improper personal benefit. Our Certificate of Incorporation also provides that we shall indemnify and advance indemnification expenses on behalf of all directors and officers of ours to the fullest extent permitted by Delaware law. Article VIII of our Bylaws also requires us, subject to certain limitations, to indemnify directors and officers and advance expenses. The indemnification and advancement of expenses provisions of Article VIII are not exclusive of any other rights of indemnification of advancement of expenses.

We have also entered into indemnification agreements with our directors and Named Executive Officers. Each indemnification agreement requires us to indemnify and hold harmless the director or Named Executive Officer to the fullest extent authorized by the laws of the State of Delaware. Each indemnification agreement also requires us, subject to specific terms and conditions, to advance expenses to the director or officer. Each indemnification agreement also sets forth various procedures and definitions with respect to indemnification and advancement of expenses. We are also obligated to maintain directors' and officers' liability insurance. With specified exceptions, we are not obligated to provide indemnification or advance expenses with respect to actions initiated by the director or officer or to indemnify the director or officer in connection with proceedings by us to enforce non-compete or non-disclosure agreements. To the extent the provisions of the indemnification agreements exceed the indemnification permitted by applicable law, such provisions may be unenforceable or may be limited to the extent they are found by a court of competent jurisdiction to be contrary to public policy.

Committees of the Board of Directors

The Board of Directors has three standing committees the Audit Committee, the Compensation Committee, and the Governance Committee. In fiscal 2007, the Board of Directors also appointed a Special Litigation Committee to facilitate timely and orderly consideration of the matters raised by the stockholder derivative actions described below, as well as a Special Committee to evaluate corporate governance issues and to explore potential strategic alternatives intended to increase stockholder value for recommendation to the full Board. The members of each committee and the functions performed thereby are described below.

Audit Committee

The Audit Committee operates pursuant to a written charter, which is available on our website at *www.thecheesecakefactory.com* by clicking on the links for "Investors," "Corporate Governance," and "Committee Charters." The Audit Committee is primarily responsible for monitoring the quality and integrity of our financial statements and related disclosure and systems of internal controls regarding risk management, finance and accounting; monitoring our compliance with legal and regulatory requirements; monitoring the independent auditor's qualifications and independence; monitoring the performance of our internal audit function and independent auditors; providing an avenue of communication among the independent auditors, management and the Board of Directors; and issuing the report of the Audit Committee required by the SEC to be included in our Proxy Statement. The Audit Committee conducts an annual performance evaluation of its charter, composition, complaint procedures, financial oversight responsibilities, and other matters. The Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of the work of our public accounting firm engaged to issue an audit report or perform other audit, review, or attest services. The Audit Committee pre-approves the audit work, as well as all non-audit work to be performed by our external auditors, after considering its permissibility under SEC rules and its impact on auditor independence. The Audit Committee also reviews material written communications the external auditors may provide to management and discusses any concerns with the auditors and management.

Pursuant to its charter, the Audit Committee also reviews our policies and procedures relating to conflicts of interest and approves any proposed "related party transaction." For this purpose, "related party transaction" means a transaction required to be disclosed pursuant to Item 404 of Regulation S-K adopted by the SEC. We also have adopted a written Code of Ethics for our directors, executive officers and senior financial officers which, among other things, requires prompt reporting of potential conflicts to the Audit Committee. In addition, at least annually management reviews with the Audit Committee related party transactions.

Mr. Gregory, Dr. Klock and Ms. Winkler served on the Audit Committee in fiscal 2007, with Mr. Gregory serving as Chair. In addition, Mr. Cappello will serve on the Audit Committee in fiscal 2008.

Compensation Committee

The Compensation Committee operates pursuant to a written charter, which is available on our website at *www.thecheesecakefactory.com* by clicking on the links for "Investors," "Corporate Governance," and "Committee Charters." The Compensation Committee is responsible for determining the compensation of our Chief Executive Officer and all other Named Executive Officers. The Compensation Committee reviews and approves all employment, retention and severance agreements for Named Executive Officers and prepares, or causes to be prepared, the Compensation Committee Report in our Proxy Statement. Our Chief Executive Officer makes recommendations to the Compensation Committee concerning the compensation of our executive officers, other than himself. The Compensation Committee also makes recommendations to the Board of Directors concerning Independent Director compensation. The Compensation Committee directly engaged Radford Surveys + Consulting in early fiscal 2008 to conduct an assessment of our director compensation. In addition, management engaged Towers Perrin in fiscal 2007 to conduct an assessment of our Chief Executive Officer's compensation.

The Compensation Committee approves and administers our incentive compensation programs, including our equity incentive plans and our performance-based bonus plan, the Amended and Restated Performance Incentive Plan, ("Incentive Plan"). The Committee makes recommendations to the Board of Directors with respect to incentive and equity compensation plans and periodically reviews and makes recommendations concerning existing or new executive compensation, performance incentives, employee benefits, stock plans or management perquisites. The Compensation Committee conducts an annual

evaluation of its charter. The Compensation Committee authorizes and approves all grants of equity compensation to our employees under our equity compensation plans.

Messrs. White, Gregory and Kransdorf served on the Compensation Committee in fiscal 2007, with Mr. White serving as Chair. In addition, Mr. Bernstein will serve on the Compensation Committee in fiscal 2008.

Governance Committee

The Governance Committee operates pursuant to a written charter which is available on our website at *www.thecheesecakefactory.com* by clicking on the links for "Investors," "Corporate Governance," and "Committee Charters." The Governance Committee is responsible for evaluating issues and developments related to corporate governance and making recommendations to the full Board of Directors with respect to corporate governance standards, corporate governance proposals from stockholders, the establishment and composition of committees of the Board of Directors and potential candidates for nomination as Board members. The Governance Committee is responsible for overseeing and recommending programs and activities for the continuing education of directors. The Governance Committee also identifies potential candidates for nomination or appointment as directors and makes recommendations to the Board of Directors concerning nominees to be presented for stockholder approval and to fill any vacancies. The Governance Committee conducts an annual evaluation of its charter.

Messrs. Kransdorf, Gregory and White, Dr. Klock and Ms. Winkler served on the Governance Committee, with Mr. Kransdorf serving as Chair.

Special Litigation Committee

In fiscal 2007, our Board of Directors established a Special Litigation Committee in order to facilitate timely and orderly consideration of the matters raised by eight separate putative stockholder derivative actions ("Option Derivative Actions"), and to determine how we should respond to the allegations made in those Option Derivative Actions, including whether it is in the best interests of our stockholders to continue pursuing the claims asserted in the Option Derivative Actions. The Option Derivative Actions were filed against us, Messrs. Gregory, Kransdorf, Matthies, Overton and White, and certain of our current and former officers following our announcement, on July 18, 2006, that the Audit Committee of our Board of Directors was reviewing our historical stock option granting practices. The Option Derivative Actions allege, among other things, that certain of the Company's stock option grants had been "backdated." The Board appointed Dr. Klock as the Special Litigation Committee's Chair. The Special Litigation Committee completed its investigation and has negotiated with all parties involved in the Option Derivative Actions a stipulation of settlement, which was filed with the court on February 27, 2008 and is subject to judicial approval after notice and hearing. In consideration for the full settlement and release of all released claims (as defined in the stipulation), the stipulation provides for certain corporate governance reforms, consisting principally of the following: (a) additional processes for the approval of stock option grants; (b) adoption of additional standards for director independence; (c) the addition of one new independent director; (d) additional insider trading controls; (e) provisions for recovery of performance-based cash bonus payments made to executive officers that were predicated on later-restated financial statements; and (f) provisions for director education. In addition, the stipulation includes the agreement of each of David Overton, a director and our Chief Executive Officer, Gerald Deitchle, a former Chief Financial Officer, Thomas Gregory, a director, Wayne White, a director, and Jerome Kransdorf, a director, that an aggregate of $940,000 will be repaid to the Company by them, contingent on final approval of the stipulation. The actions filed in federal court were consolidated in the Central District of California under the caption, *In re The Cheesecake Factory Derivative Litigation*, No. CV-06-06234-ABC(MANx). The actions filed in state court have been consolidated in the Los Angeles Superior Court under the same caption, No. BC355953.

Special Committee

In fiscal 2007, our Board of Directors established a Special Committee comprised solely of Independent Directors in order to, among other matters, evaluate corporate governance issues and the advisability of pursuing strategic alternatives intended to increase stockholder value, including but not limited to, a recapitalization, and to make recommendations to the full Board of Directors. The Special Committee operates pursuant to a charter adopted on December 4, 2007. Messrs. Gregory, Kransdorf and White and Ms. Winkler initially served on the Special Committee in fiscal 2007 and shortly thereafter, the committee membership was reduced to include Messrs. Gregory and Kransdorf, with Ms. Winkler serving as Chair.

Mr. Matthies served as a member of our Audit, Compensation and Governance Committees prior to his resignation effective May 3, 2007.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The following Audit Committee report does not constitute soliciting material and is not deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this Audit Committee report by reference therein.

As more fully described in its charter, the Audit Committee oversees the Company's financial reporting and internal control processes on behalf of the Board of Directors, as well as the independent audit of the Company's consolidated financial statements by the Company's independent auditors. The Audit Committee approved the engagement of PricewaterhouseCoopers LLP ("PwC") as the Company's independent auditors for fiscal 2007. Management has the primary responsibility for the Company's financial statements and the financial reporting process, including the Company's system of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the Company's audited financial statements for fiscal 2007 with management and PwC. Management and PwC have represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles.

The Audit Committee reviewed with PwC such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards, including the matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," as amended. In addition, the Audit Committee has discussed with PwC the auditors' independence from management and the Company, including the matters in the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, "Independence Discussion with Audit Committee." The Audit Committee discussed with PwC the overall scope and plans for their audit. The Audit Committee periodically meets with PwC, with and without management present, to discuss the results of their audit, their evaluation of the Company's internal controls and the overall quality of the Company's financial reporting.

Based upon these reviews and discussions, the Audit Committee has approved the recommendation of Company management that the audited consolidated financial statements for the fiscal year ended January 1, 2008 be included in the Company's Annual Report on Form 10-K filed with Securities and Exchange Commission.

Respectfully submitted,

Thomas L. Gregory,
Chair
David R. Klock
Agnieszka Winkler
Alexander L. Cappello*

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* Due to his recent appointment, Mr. Cappello abstained from the vote on this Report.

PROPOSAL 2

AMENDMENT OF THE COMPANY'S AMENDED AND RESTATED 2001 OMNIBUS STOCK INCENTIVE PLAN

We are seeking approval of an amendment to our 2001 Omnibus Stock Incentive Plan ("2001 Plan") to clarify that eligible individuals under the plan include members of our Board of Directors, whether or not employed by us.

Background

Our stockholders approved the amendment and restatement of the 2001 Plan at the 2004 Annual Meeting of Stockholders. As amended and restated, the 2001 Plan provides for awards of stock options as well as stock appreciation rights, restricted shares, deferred shares, performance shares and performance units to employees and others providing key services to us and any related company, but does not expressly permit grants to non-employee directors. Awards under the 2001 Plan may be awarded to "eligible individuals." Previously, stock options were granted to our non-employee directors pursuant to our 1997 Non-Employee Director Stock Option Plan. However, this plan terminated pursuant to its terms in fiscal 2007 and no further options may be granted under it.

At this time, we are not proposing that stockholders approve a separate stock option plan for non-employee directors. Rather, the proposed amendment is intended to make it clear that "eligible individuals" under the 2001 Plan include members of our Board of Directors, whether or not employed by us. If approved, the Board of Directors intends to award options to purchase 30,000 shares of our common stock to each of Messrs. Bernstein and Cappello who were appointed to the Board of Directors in February 2008. If the amendment is not approved, the Board of Directors intends to pay each of Messrs. Bernstein and Cappello as new directors $100,000. Further, if the amendment is approved, the Board of Directors intends to grant options to non-employee directors in the future under the 2001 Plan as compensation for service on the Board of Directors and may grant other equity awards permitted under the 2001 Plan. However, the Board does not intend to make additional option grants to Messrs. Gregory, Klock, Kransdorf, or White or Ms. Winkler with respect to services as a director in fiscal 2008 or fiscal 2009.

The amendment does not increase the number of shares reserved for issuance under the 2001 Plan. If this amendment is not approved, we will not be able to grant options or other equity compensation to non-employee directors unless and until an equity plan permitting grants is approved by stockholders. The Board of Directors believes that an important method of aligning Directors' interests with that of our stockholders is to base a portion of their compensation on equity compensation, such as stock options. The 2001 Plan, previously approved by stockholders, has sufficient outstanding shares available for grant in order to provide equity compensation to employees and non-employee directions for a period of time, based upon our historical granting practices. Under the 2001 Plan, we have granted awards with respect to 1,590,250 shares and 2,033,131 shares remain outstanding and available for awards. For information concerning awards under the 2001 Plan made to our Named Executive Officers in Fiscal 2007, see "Executive Compensation Grants of Plan-Based Awards in Fiscal 2007."

Set forth below is the text of the Section 12.1(n) of the 2001 Plan as proposed to be amended, with additions indicated by underlining and deletions indicated by strikeout:

> "*Eligible Individual.* The term "Eligible Individual" ~~shall~~ means any employee of the Company or a Related Company, and any consultant or other person providing key services to the Company or a Related Company (including, without limitation, a member of the Company's Board of Directors, whether or not employed by the Company)."

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE *FOR* THE AMENDMENT OF THE COMPANY'S AMENDED AND RESTATED 2001 OMNIBUS STOCK INCENTIVE PLAN.

The Company is not requesting authorization to increase shares available for grant under the 2001 Plan or proposing any other amendments to the 2001 Plan for stockholder approval other than the amendment to the definition of "Eligible Individual" described above permitting grants to non-employee directors. In accordance with the SEC rules, the terms and provisions of the 2001 Plan prior to adoption of this proposal are summarized below. This summary, however, does not purport to be a complete description of the 2001 Plan. The following summary is qualified in its entirety by reference to the complete text of the 2001 Plan. The 2001 Plan has been filed with the SEC as Exhibit A to this Proxy Statement and may be accessed from the SEC's website at *www.*sec.gov. Any stockholder that wishes to obtain a copy of the actual plan document may do so by written request to our Corporate Secretary at 26901 Malibu Hills Road, Calabasas Hills, California 91301.

Description of the 2001 Plan

Eligibility

Any employee of ours or any related company (as defined in the 2001 Plan) and any consultant or other person providing key services to us or a related company is eligible for selection to receive awards under the 2001 Plan. Currently, only our Named Executive Officers have received awards under the 2001 Plan and 2,033,131 shares remain outstanding and available for grant under the 2001 Plan.

Administration

The authority to control and manage the operation and administration of the 2001 Plan is vested in the Compensation Committee which has full power and authority to implement and carry out the Plan. The Compensation Committee has the authority and discretion (i) to select from among the Eligible Individuals those persons who shall receive Awards, (ii) to determine the time or times of receipt of awards, (iii) to determine the types of awards and the number of shares covered by the options, (iv) to establish the terms, conditions, restrictions, deferral arrangements and other provisions of awards, (v) to cancel or suspend awards, (vi) to permit a participant to relinquish (in full or part) an award in order to maximize the participant's after-tax proceeds, (vii) to provide for "gross-up" for any taxes associated with any award, (viii) to grant awards in lieu of salary increases or other compensation or benefit arrangements, (ix) to provide for such forfeitures of awards as may be permitted under applicable law, and (x) to make such modifications or adjustments to awards to participants working outside the United States as are advisable to fulfill the purposes of the 2001 Plan. In making such determinations, the Compensation Committee may take into account the nature of services rendered by the individual, the individual's present and potential contribution to our success and such other factors as the Compensation Committee deems relevant.

The Compensation Committee also has the authority and discretion to establish the performance objectives (as defined) for participants who have received grants of awards. The Compensation Committee has the authority and discretion to determine the extent to which awards under the 2001 Plan will be structured to conform to the requirements applicable to performance-based compensation as described in Section 162(m) of the Internal Revenue Code, and to take such action, establish such procedures, and impose such restrictions at the time such awards are granted as the Compensation Committee determines to be necessary or appropriate to conform to such requirements.

The Compensation Committee has the authority and discretion to interpret the 2001 Plan, to establish, amend, and rescind any rules and regulations relating to the 2001 Plan, to determine the terms and provisions of any agreements made pursuant to the 2001 Plan, and to make all other determinations that may be necessary or advisable for the administration of the 2001 Plan. Any interpretation of the 2001

Plan by the Compensation Committee and any decision made by it under the 2001 Plan are final and binding.

Notwithstanding any other provision of the 2001 Plan to the contrary, in the event of termination of employment by reason of death, disability, retirement, early retirement with our consent or leave of absence authorized by us, under applicable law or otherwise approved by us, or in the event of hardship or other special circumstances, of a participant who holds an award that is not immediately and fully exercisable, or any shares of stock that are subject to any transfer restriction, the Compensation Committee may take any action that it deems to be equitable under the circumstances or in the best interests of the Company, including, without limitation, waiving or modifying any limitation or requirement with respect to any award granted under this plan.

The Compensation Committee may not approve any agreement, amendment or modification to an agreement or the 2001 Plan that would reprice any option issued under the 2001 Plan.

In controlling and managing the operation and administration of the 2001 Plan, the Compensation Committee acts by a majority of its then members, by meeting or by written consent without a meeting.

Certain Restrictions

Pursuant to the 2001 Plan, the maximum number of shares of common stock that may be covered by awards granted to any one individual is 500,000 shares during any consecutive 12-month period. Only 25% of the authorized shares may be used for incentive awards under the 2001 Plan. This calculation does not include shares of common stock that may be issued upon the exercise of nonqualified stock options.

Performance Objectives

Section 162(m) prevents a publicly held corporation from claiming tax deductions for compensation in excess of $1 million paid to certain of its senior executives. Compensation is exempt from this limit if it is "qualified performance-based compensation." Awards under the 2001 Plan may qualify as performance-based compensation so long as certain requirements are satisfied, including the prior approval by stockholders of the performance formulas or measures. Under the 2001 Plan, the Compensation Committee has the authority and discretion to establish performance objectives for grants of awards or persons granted awards. Any award that is intended to qualify as "performance-based compensation" under Code Section 162(m) shall be limited to specified levels of or increases in the Company's or subsidiary's performance based upon measurement criteria specified in the plans. Except in the case of an option intended to qualify under Section 162(m), if the Compensation Committee determines that a change in the business or operations of the Company or other events render the performance objectives unsuitable, the Committee may modify such performance objectives, in whole or part, as the Committee deems appropriate.

Stock Options

Stock options granted under the 2001 Plan may be options that are intended to qualify as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or "nonqualified stock options" that are not intended to so qualify. The exercise price of each nonqualified stock option is determined by the Compensation Committee and must not be less than 100% of the fair market value of the common stock subject to the option on the date the option is granted. The exercise price of incentive stock options may not be less than 100%; provided, however, that the purchase price of the common stock subject to the incentive stock option may not be less than 110% of such fair market value (without regard to any restriction other than a restriction which, by its terms, will never lapse) when the optionee owns (or is deemed to own pursuant to Section 424(d) of the Code) common stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its subsidiaries.

We may issue incentive stock options provided that the aggregate fair market value (determined at the time the incentive stock option is granted) of the common stock with respect to which incentive stock options are exercisable for the first time by the optionee during any calendar year (under all incentive stock option plans of the Company) may not exceed $100,000. Should it be determined that any incentive stock option granted pursuant to the 2001 Plan exceeds such maximum, such incentive stock option shall be considered to be a nonqualified stock option and not to qualify for treatment as an incentive stock option under Section 422 of the Code to the extent, but only to the extent, of such excess. Only Company employees are eligible for grants of incentive stock options. Subject to the adjustments for stock splits or reverse split as set forth in the 2001 Plan, the maximum number of shares that may be issued under the 2001 Plan as options intended to be incentive stock options is 700,000 shares. The Compensation Committee may grant "reload" options under the conditions set forth in the 2001 Plan. The criteria and method for exercising options are specified in the 2001 Plan.

Options granted under the 2000 Plan may be exercised until ten years from the date of grant except as otherwise provided in the plan or stock option agreement. No option granted under the 2001 Plan shall be exercisable after the expiration date established by the Compensation Committee at the time of grant, provided that the expiration date shall not be later than the earliest to occur of: (i) the ten-year anniversary of the date on which the option is granted; (ii) if the grantee's date of termination of employment occurs by reason of death or disability, the one-year anniversary of such date of termination; (iii) if the grantee's termination of employment occurs by reason of retirement, the third-year anniversary of such date of termination (other than in the case of an incentive stock option); or (iv) if the grantee's date of termination occurs for reasons other than retirement, death or disability, or cause, the 90-day anniversary of such date of termination, except as otherwise stated in the plan or option agreement.

The 2001 Plan provides that any shares of common stock covered by an award that are forfeited because of the failure to meet a contingency or condition shall again be available for delivery pursuant to new awards granted under the Plan. To the extent any shares of common stock covered by an award are not delivered to a participant or beneficiary because the award is forfeited or canceled, or the shares of common stock are not delivered because the award is settled in cash, such shares shall not be deemed to have been delivered for purposes of determining the maximum number of shares of common stock available for delivery under the 2001 Plan. If the exercise price of any option granted under the 2001 Plan is satisfied by tendering shares of common stock to the Company (by either actual delivery or by attestation), only the number of shares of common stock issued net of the shares of common stock, are available for delivery under the 2001 Plan. Shares of common stock delivered under the 2001 Plan in settlement, assumption or substitution of outstanding awards (or obligations to grant future awards) under the plans or arrangements of another entity, shall not reduce the maximum number of shares of common stock available for delivery under the Plan, to the extent that such settlement, assumption or substitution is a result of the Company or a related company acquiring another entity (or an interest in another entity).

The 2001 Plan provides that upon a "change in control" (as defined in the 2001 Plan), all options granted at such time and are not then exercisable shall become immediately exercisable provided, however, the option agreement does not provide otherwise, or the options are not otherwise assumed in the case of certain acquisitions or sales of assets.

Stock Appreciation Rights

The Compensation Committee may grant "tandem" stock appreciation rights in connection with an option granted under the 2001 Plan or "freestanding" stock appreciation rights unrelated to any option. Stock appreciation rights are the right to receive from the Company an amount determined by the Compensation Committee and expressed as a percentage (not exceeding 100%) of the "spread" at the time of exercise. The "spread" in the case of a freestanding stock appreciation right is the amount by which the fair market value of the Company's common stock on the date of exercise exceeds the base price specified in the right. The "spread" in the case of tandem stock appreciation rights is the amount by which

the fair market value of the Company's common stock on the date of exercise exceeds the option price specified in the related option. Tandem stock appreciation rights may be exercised only upon conditions specified in the plans. Freestanding stock appreciation rights must specify a base price (which must be equal to or greater than the fair market value on the grant date) and the period(s) of continuous employment of the grantee by the Company or any subsidiary that are necessary before the freestanding stock appreciation right or installments thereof become exercisable. Freestanding stock appreciation rights may provide for earlier exercise in the event of a change in control of the Company or other similar transaction or event. Any grant of stock appreciation rights may be paid in cash, shares of common stock or any combination thereof, or grant to the participant, or reserve to the Compensation Committee, the right to elect among those alternatives. Any grant may also preclude the right of the grantee to receive, and the Company to issue, common stock or other equity securities in lieu of cash. No freestanding stock appreciation right granted under the 2001 Plan may be exercised more than ten years from the grant date.

Restricted Shares

An award of restricted shares involves the immediate transfer by the Company to a participant of ownership of a specific number of shares of common stock in consideration of the performance of services. The Compensation Committee may impose restrictions and limitations on voting, dividend and other ownership rights in such shares subject to conditions specified in the plans and may specify performance objectives which, if achieved, will result in termination or early termination of the restrictions applicable to such shares. Restricted shares must be subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code. To enforce these forfeiture provisions, the transferability of restricted shares will be prohibited or restricted in a manner and to the extent prescribed by the Compensation Committee for the period during which the forfeiture provisions are to continue, but not less than three years from date of grant. The Compensation Committee may provide for a shorter period during which the forfeiture provisions are to apply in the event of a change in control ofgn:bottom;padding-left:2px;padding-top:2px;padding-bottom:2px;padding-right:2px;">

Foreign currency translation gains (losses)
12

22

(36
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(20
)
Effective portion of cash flow hedges
(84
)

(117
)

13

(92
)
Net unrealized gains (losses) on available-for-sale securities
48

88

(219
)

85

Other
(2
)

3

(1
)

3

Other comprehensive loss, net of tax
(26
)

(4
)

(243
)

(24
)
Comprehensive income
$
1,342

$
1,103

$
3,817

$
3,533

See accompanying notes.

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AMGEN INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except per share data)
(Unaudited)

	September 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$8,281	$3,257
Marketable securities	14,277	20,804
Receivable from sale of investments	560	—
Trade receivables, net	2,670	2,518
Inventories	2,838	2,744
Other current assets	2,049	1,886
Total current assets	30,675	31,209
Property, plant and equipment, net	5,283	5,326
Intangible assets, net	3,682	3,968
Goodwill	12,572	12,662
Restricted investments	3,411	—
Other assets	1,450	1,133
Total assets	$57,073	$54,298
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$895	$905
Accrued liabilities	3,937	4,791
Current portion of long-term debt	11	2,495
Total current liabilities	4,843	8,191
Long-term debt	27,178	24,034
Other noncurrent liabilities	3,324	3,013
Contingencies and commitments		
Stockholders' equity:		
Common stock and additional paid-in capital; $0.0001 par value; 2,750.0 shares authorized; outstanding - 754.1 shares in 2013 and 756.3 shares in 2012	29,665	29,337
Accumulated deficit	(7,840)	(10,423)
Accumulated other comprehensive (loss) income	(97)	146
Total stockholders' equity	21,728	19,060
Total liabilities and stockholders' equity	$57,073	$54,298

See accompanying notes.

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AMGEN INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine months ended September 30,	
	2013	2012
Cash flows from operating activities:		
Net income	$4,060	$3,557
Depreciation and amortization	842	815
Stock-based compensation expense	304	271
Other items, net	119	(72)
Changes in operating assets and liabilities, net of acquisitions:		
Trade receivables, net	(132)	198
Inventories	(71)	(175)
Other assets	(174)	213
Accounts payable	6	189
Accrued income taxes	(483)	(85)
Other liabilities	(15)	159
Net cash provided by operating activities	4,456	5,070
Cash flows from investing activities:		
Purchases of property, plant and equipment	(492)	(489)
Cash paid for acquisitions, net of cash acquired	—	(1,990)
Purchases of marketable securities	(17,878)	(18,864)
Proceeds from sales of marketable securities	15,743	12,544
Proceeds from maturities of marketable securities	4,846	878
Restriction of investments	(526)	—
Other	(44)	(38)
Net cash provided by (used in) investing activities	1,649	(7,959)
Cash flows from financing activities:		
Repayment of debt	(2,500)	(102)
Net proceeds from issuance of debt	3,074	4,933
Repurchases of common stock	(832)	(3,390)
Dividends paid	(1,061)	(844)
Net proceeds from issuance of common stock in connection with the Company's equity award programs	268	1,129
Other	(30)	40
Net cash (used in) provided by financing activities	(1,081)	1,766
Increase (decrease) in cash and cash equivalents	5,024	(1,123)
Cash and cash equivalents at beginning of period	3,257	6,946
Cash and cash equivalents at end of period	$8,281	$5,823

See accompanying notes.

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AMGEN INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2013
(Unaudited)

1. Summary of significant accounting policies

Business

Amgen Inc. (including its subsidiaries, referred to as “Amgen,” “the Company,” “we,” “our” or “us”) is a global biotechnology pioneer that discovers, develops, manufactures and delivers innovative human therapeutics. We operate in one business segment: human therapeutics.

Basis of presentation

The financial information for the three and nine months ended September 30, 2013 and 2012, is unaudited but includes all adjustments (consisting of only normal recurring adjustments, unless otherwise indicated), which Amgen considers necessary for a fair presentation of its condensed consolidated results of operations for those periods. Interim results are not necessarily indicative of results for the full fiscal year.

Prior-period amounts for amortization of certain acquired intangible assets have been reclassified within Operating expenses in our Condensed Consolidated Statements of Income to conform to the current-period presentation.

The condensed consolidated financial statements should be read in conjunction with our consolidated financial statements and the notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Reports on Form 10-Q for the periods ended March 31, 2013, and June 30, 2013.

Principles of consolidation

The condensed consolidated financial statements include the accounts of Amgen as well as its majority-owned subsidiaries. We do not have any significant interests in any variable interest entities. All material intercompany transactions and balances have been eliminated in consolidation.

Use of estimates

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

Product sales for U.S. federal government stockpiles

Amgen recognizes revenue from the sales of product to the U.S. federal government for stockpile in accordance with Securities and Exchange Commission (SEC) Interpretation, Commission Guidance Regarding Accounting for Sales of Vaccines and Bioterror Countermeasures to the Federal Government for Placement into the Pediatric Vaccine Stockpile or the Strategic National Stockpile (SNS). We recognized $155 million of revenue for NEUPOGEN® (filgrastim) during the three months ended September 30, 2013, for purchases by the government for the SNS. We are contracted to manage this inventory of product until the government requests shipment.

Property, plant and equipment, net

Property, plant and equipment is recorded at historical cost, net of accumulated depreciation and amortization of $6.8 billion and $6.6 billion as of September 30, 2013, and December 31, 2012, respectively.

Restricted investments

We have restricted investments on our Condensed Consolidated Balance Sheet that are owned by ATL Holdings Limited (ATL Holdings), a wholly-owned subsidiary. ATL Holdings is an entity distinct from the Company and its other subsidiaries, with separate assets and liabilities. Because a third party owns Class A preferred shares of ATL Holdings, this entity is required to hold restricted cash or investments. See Note 7, Financing arrangements. On September 30, 2013, $2,881 million of marketable securities, $526 million of cash and cash equivalents and $4 million of related interest receivable were reclassified to Restricted investments on our Condensed Consolidated Balance Sheet.

Comprehensive income

In January 2013, we adopted a new accounting standard that requires additional disclosures regarding amounts that are reclassified out of accumulated other comprehensive income (AOCI). In accordance with the requirements of the standard, the effects of significant reclassifications out of AOCI, by component, on the respective lines in the Condensed Consolidated Statements of Income are presented in Note 8, Stockholders' equity. The standard was required to be applied prospectively beginning January 1, 2013.

Cost savings initiatives

Included in Other operating expenses for the three and nine months ended September 30, 2013, are charges for certain costs savings initiatives of $35 million and $46 million, respectively, compared with $36 million and $106 million for the corresponding periods of the prior year.

2. Business combinations

deCODE Genetics

On December 10, 2012, we acquired all of the outstanding stock of deCODE Genetics (deCODE), a privately held company that is a global leader in human genetics, for total consideration of $401 million in cash. The transaction, which was accounted for as a business combination, provides us with an opportunity to enhance our efforts to identify and validate human disease targets. deCODE's operations, which are not material, have been included in our consolidated financial statements commencing on the acquisition date.

We allocated the consideration to acquire deCODE to finite-lived intangible assets of $465 million comprised of discovery capacity in the genetics of human diseases with an estimated useful life of 10 years, $47 million to goodwill which is not deductible for tax purposes, deferred tax liabilities of $93 million and other net liabilities of $18 million. These amounts reflect adjustments recognized during the nine months ended September 30, 2013, to the acquisition date fair values of assets acquired and liabilities assumed in this acquisition which did not have a material effect on our current or prior period financial statements. These adjustments reduced goodwill by $46 million due primarily to a revision which increased the acquisition date fair value of finite-lived intangible assets by $64 million.

Our accounting for the acquisition is preliminary and will be finalized upon completion of our analysis to determine the acquisition date fair values of certain tax-related items and residual impact on goodwill.

3. Income taxes

The effective tax rates for the three and nine months ended September 30, 2013 were 9.0% and 4.5%, respectively, compared with 12.4% and 12.9% for the corresponding periods of the prior year. The effective rates are different from the federal statutory rates primarily as a result of indefinitely invested earnings of our foreign operations. We do not provide for U.S. income taxes on undistributed earnings of our foreign operations that are intended to be invested indefinitely outside of the United States. In addition, the effective tax rates were reduced by foreign tax credits associated with the Puerto Rico excise tax described below. The effective tax rate for the nine months ended September 30, 2013, was further reduced by two significant events that occurred during the three months ended March 31, 2013. First, we settled our examination with the Internal Revenue Service (IRS) for the years ended December 31, 2007, 2008 and 2009 in which we agreed to certain adjustments proposed by the IRS and remeasured our unrecognized tax benefits (UTBs) accordingly. Second, the American Taxpayer Relief Act of 2012, enacted during the first quarter of 2013, reinstated the federal research and development (R&D) tax credit for 2012 and 2013. Therefore, our effective tax rate for the nine months ended September 30, 2013, includes a benefit for the full-year 2012 R&D tax credit, recorded as a discrete item in the first quarter.

As of January 1, 2011, Puerto Rico began imposing a temporary excise tax on the purchase of goods and services from a related manufacturer in Puerto Rico. The excise tax is imposed on the gross intercompany purchase price of the goods and services and was initially effective for a six-year period beginning in 2011, with the excise tax rate declining in each year (from 4% in 2011 to 1% in 2016). During the three months ended March 31, 2013, the Puerto Rico government enacted an amendment to the excise tax legislation which increased the excise tax rate to a flat 4% effective July 1, 2013 through December 31, 2017. We account for the excise tax as a manufacturing cost that is capitalized in inventory and expensed in cost of sales when the related products are sold. For U.S. income tax purposes, the excise tax results in foreign tax credits that are generally recognized in our provision for income taxes when the excise tax is incurred. Excluding the impact of the Puerto Rico excise tax, our effective tax rates for the three and nine months ended September 30, 2013, would have been 13.8% and 9.8%, respectively, compared with 17.7%

and 18.3% for the corresponding periods of the prior year.
Several of our legal entities file income tax returns in the U.S. federal jurisdiction, various U.S. state jurisdictions and certain foreign jurisdictions. Our income tax returns are routinely audited by the tax authorities in those jurisdictions. Significant

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disputes may arise with these tax authorities involving issues of the timing and amount of deductions, the use of tax credits and allocations of income among various tax jurisdictions because of differing interpretations of tax laws and regulations. The U.S. federal income tax examinations for years ended on or before December 31, 2009, and the California state income tax examinations for years ended on or before December 31, 2005, have been completed. During the three and nine months ended September 30, 2013, the gross amount of our UTBs increased by approximately $85 million and $240 million, respectively, as a result of tax positions taken during the current year. Also, our UTBs decreased by approximately $200 million in the nine months ended September 30, 2013, due to settlement of federal and state tax matters in the first and second quarter. The settlements resulted in recognition of net tax benefits of approximately $195 million for the nine months ended September 30, 2013 including interest, penalties and the federal benefit of state taxes. Substantially all of the UTBs as of September 30, 2013, if recognized, would affect our effective tax rate. As of September 30, 2013, we believe it is reasonably possible that our gross liabilities for UTBs may decrease by approximately $70 million within the succeeding 12 months due to the resolution of state audits.

4. Earnings per share

The computation of basic earnings per share (EPS) is based on the weighted-average number of our common shares outstanding. The computation of diluted EPS is based on the weighted-average number of our common shares outstanding and dilutive potential common shares, which include principally shares that may be issued under: our stock option, restricted stock and performance unit awards, determined using the treasury stock method; and our convertible notes and warrants while outstanding, as discussed below (collectively, “dilutive securities”). The convertible note hedges purchased in connection with the issuance of our convertible notes, which terminated in February 2013, are excluded from the calculation of diluted EPS because their impact is always anti-dilutive.

Prior to the conversion/maturity of our 0.375% 2013 Convertible Notes in February 2013 which were cash settled, the excess of the notes' conversion value, as defined, over their principal amount were considered dilutive potential common shares for purposes of calculating diluted EPS. Warrants sold concurrent with the issuance of our 0.375% 2013 Convertible Notes were cash settled in May 2013. While outstanding, the 0.375% 2013 Convertible Notes and warrants did not have a significant impact on the number of shares used for purposes of computing diluted EPS for any periods presented. See Note 7, Financing arrangements.

The computation for basic and diluted EPS was as follows (in millions, except per share data):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Income (Numerator):				
Net income for basic and diluted EPS	$1,368	$1,107	$4,060	$3,557
Shares (Denominator):				
Weighted-average shares for basic EPS	754	771	752	779
Effect of dilutive securities	12	12	12	10
Weighted-average shares for diluted EPS	766	783	764	789
Basic EPS	$1.81	$1.44	$5.40	$4.57
Diluted EPS	$1.79	$1.41	$5.31	$4.51

For the three and nine months ended September 30, 2013, the number of anti-dilutive shares of our common stock excluded from the computation of diluted EPS were not material. For the three and nine months ended September 30, 2012, there were employee stock-based awards, calculated on a weighted-average basis, to acquire 1 million and 8 million shares of our common stock, respectively, that are not included in the computation of diluted EPS because their impact would have been anti-dilutive.

5. Available-for-sale investments

The amortized cost, gross unrealized gains, gross unrealized losses and estimated fair values of available-for-sale investments by type of security were as follows (in millions):

Type of security as of September 30, 2013	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
U.S. Treasury securities	$6,172	$5	$(4)	$6,173
Other government-related debt securities:				
U.S.	1,130	—	(8)	1,122
Foreign and other	1,234	12	(38)	1,208
Corporate debt securities:				
Financial	3,455	30	(25)	3,460
Industrial	3,457	29	(28)	3,458
Other	335	4	(2)	337
Residential mortgage-backed securities	1,410	3	(16)	1,397
Other mortgage- and asset-backed securities	1,491	—	(39)	1,452
Money market mutual funds	6,907	—	—	6,907
Total interest-bearing securities	25,591	83	(160)	25,514
Equity securities	72	19	—	91
Total available-for-sale investments	$25,663	$102	$(160)	$25,605

Type of security as of December 31, 2012	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
U.S. Treasury securities	$4,443	$15	$—	$4,458
Other government-related debt securities:				
U.S.	1,018	12	—	1,030
Foreign and other	1,549	60	(1)	1,608
Corporate debt securities:				
Financial	3,266	96	(1)	3,361
Industrial	4,283	100	(3)	4,380
Other	441	11	—	452
Residential mortgage-backed securities	1,828	9	(8)	1,829
Other mortgage- and asset-backed securities	1,769	7	(9)	1,767
Money market mutual funds	2,620	—	—	2,620
Other short-term interest-bearing securities	2,186	—	—	2,186
Total interest-bearing securities	23,403	310	(22)	23,691
Equity securities	52	2	—	54
Total available-for-sale investments	$23,455	$312	$(22)	$23,745

The fair values of available-for-sale investments by classification in the Condensed Consolidated Balance Sheets were as follows (in millions):

Classification in the Condensed Consolidated Balance Sheets	September 30, 2013	December 31, 2012
Cash and cash equivalents	$7,830	$2,887
Marketable securities	14,277	20,804
Other assets — noncurrent	91	54
Restricted investments	3,407	—
Total available-for-sale investments	$25,605	$23,745

Cash and cash equivalents in the table above excludes cash of $451 million and $370 million as of September 30, 2013, and December 31, 2012, respectively. Restricted investments in the table above excludes $4 million of interest receivable related to ATL Holdings as of September 30, 2013.

The fair values of available-for-sale interest-bearing security investments by contractual maturity, except for mortgage- and asset- backed securities that do not have a single maturity date, were as follows (in millions):

Contractual maturity	September 30, 2013	December 31, 2012
Maturing in one year or less	$10,820	$7,175
Maturing after one year through three years	4,671	5,014
Maturing after three years through five years	5,742	6,286
Maturing after five years through ten years	1,432	1,620
Mortgage- and asset-backed securities	2,849	3,596
Total interest-bearing securities	$25,514	$23,691

For the three months ended September 30, 2013 and 2012, realized gains totaled $24 million and $31 million, respectively, and realized losses totaled $26 million and $11 million, respectively. For the nine months ended September 30, 2013 and 2012, realized gains totaled $142 million and $147 million, respectively, and realized losses totaled $70 million and $41 million, respectively. The cost of securities sold is based on the specific identification method. Substantially all of our available-for-sale investments that were in an unrealized loss position, which totaled $160 million as of September 30, 2013, have been in a continuous unrealized loss position for less than 12 months. These investments had an aggregate fair value of $8.5 billion as of September 30, 2013.

The primary objective of our investment portfolio is to enhance overall returns in an efficient manner while maintaining safety of principal, prudent levels of liquidity and acceptable levels of risk. Our investment policy limits interest-bearing security investments to certain types of debt and money market instruments issued by institutions with primarily investment grade credit ratings and places restrictions on maturities and concentration by asset class and issuer.

We review our available-for-sale investments for other-than-temporary declines in fair value below our cost basis each quarter and whenever events or changes in circumstances indicate that the cost basis of an asset may not be recoverable. This evaluation is based on a number of factors, including the length of time and the extent to which the fair value has been below our cost basis and adverse conditions related specifically to the security, including any changes to the credit rating of the security. As of September 30, 2013, and December 31, 2012, we believe the cost bases for our available-for-sale investments were recoverable in all material respects.

6. Inventories

Inventories consisted of the following (in millions):

	September 30, 2013	December 31, 2012
Raw materials	$218	$192
Work in process	1,807	1,723
Finished goods	813	829
Total inventories	$2,838	$2,744

7. Financing arrangements

The carrying values and the fixed contractual coupon rates of our long-term borrowings were as follows (in millions):

	September 30, 2013	December 31, 2012
0.375% convertible notes due 2013 (0.375% 2013 Convertible Notes)	$—	$2,488
1.875% notes due 2014 (1.875% 2014 Notes)	1,000	1,000
4.85% notes due 2014 (4.85% 2014 Notes)	1,000	1,000
2.30% notes due 2016 (2.30% 2016 Notes)	749	749
2.50% notes due 2016 (2.50% 2016 Notes)	999	999
2.125% notes due 2017 (2.125% 2017 Notes)	1,248	1,248
5.85% notes due 2017 (5.85% 2017 Notes)	1,099	1,099
6.15% notes due 2018 (6.15% 2018 Notes)	500	499
Master Repurchase Agreement obligation due 2018	3,100	—
4.375% euro-denominated notes due 2018 (4.375% 2018 euro Notes)	741	723
5.70% notes due 2019 (5.70% 2019 Notes)	999	999
2.125% euro-denominated notes due 2019 (2.125% 2019 euro Notes)	910	887
4.50% notes due 2020 (4.50% 2020 Notes)	300	300
3.45% notes due 2020 (3.45% 2020 Notes)	898	897
4.10% notes due 2021 (4.10% 2021 Notes)	998	998
3.875% notes due 2021 (3.875% 2021 Notes)	1,746	1,745
3.625% notes due 2022 (3.625% 2022 Notes)	747	747
5.50% pound-sterling-denominated notes due 2026 (5.50% 2026 pound sterling Notes)	763	763
4.00% pound-sterling-denominated notes due 2029 (4.00% 2029 pound sterling Notes)	1,118	1,117
6.375% notes due 2037 (6.375% 2037 Notes)	899	899
6.90% notes due 2038 (6.90% 2038 Notes)	499	499
6.40% notes due 2039 (6.40% 2039 Notes)	996	996
5.75% notes due 2040 (5.75% 2040 Notes)	697	697
4.95% notes due 2041 (4.95% 2041 Notes)	596	595
5.15% notes due 2041 (5.15% 2041 Notes)	2,232	2,232
5.65% notes due 2042 (5.65% 2042 Notes)	1,244	1,244
5.375% notes due 2043 (5.375% 2043 Notes)	1,000	1,000
Other notes	111	109
Total debt	27,189	26,529
Less current portion	(11)	(2,495)
Total noncurrent debt	$27,178	$24,034

In connection with the acquisition of Onyx Pharmaceuticals, Inc. (Onyx), we entered into a Master Repurchase Agreement and a Term Loan Credit Facility described below. See Note 12, Subsequent event.

Master Repurchase Agreement

We entered into a Master Repurchase Agreement (Repurchase Agreement) pursuant to which Amgen sold 34,097 Class A preferred shares of one of its wholly-owned subsidiaries, ATL Holdings, to the counterparty on September 30, 2013. The Class A preferred shares have a liquidation preference of $100,000 per share. Pursuant to the Repurchase Agreement, we are obligated to repurchase the Class A preferred shares from the counterparty for the aggregate sale price of $3.1 billion, plus any accrued and unpaid payment obligations described below, on September 28, 2018. The $3.1 billion obligation to repurchase the preferred shares is accounted for as long-term debt on our Condensed Consolidated Balance Sheet. Debt issuance costs of $26 million incurred with respect to this transaction will be amortized over the life of the Repurchase Agreement.

Under the Repurchase Agreement, we are obligated to make payments to the counterparty based on the sale price of the outstanding preferred shares at a floating interest rate based on the London Interbank Offered Rate (LIBOR) plus 1.1%. The Repurchase Agreement contains customary events of default, and we have the right to repurchase all or a portion of the Class A preferred shares at any time prior to September 28, 2018, the required repurchase date for the Class A preferred shares.

Term Loan Credit Facility

On October 1, 2013, we borrowed $5.0 billion under a Term Loan Credit Facility which bears interest at a floating rate based on LIBOR plus additional interest, initially 1%, which can vary based on the credit ratings assigned to our long-term debt by Standard & Poor’s Financial Services LLC (S&P) and Moody’s Investor Service, Inc. (Moody’s). A portion of the principal amount of this debt is to be repaid at the end of each quarter equal to 2.5% of the original amount of the loan, or $125 million, with the balance due on October 1, 2018. The outstanding balance of this loan may be prepaid in whole or in part at any time without penalty. This credit facility includes the same financial covenant as our revolving credit facility with respect to our level of borrowings in relation to our equity, as defined.

Convertible notes

In February 2013, our 0.375% 2013 Convertible Notes matured/converted, and accordingly, the $2.5 billion principal amount was settled in cash. We also elected to pay the note holders who converted their notes $99 million of cash for the conversion value that exceeded the principal amount of the notes, as allowed under the original terms of the notes. As a result of this conversion, we received $99 million of cash from the counterparty to the related convertible note hedge to offset the corresponding payment to the convertible note holders. In addition, on May 1, 2013, warrants to acquire 32 million shares of our common stock at an exercise price of $104.80 originally sold in connection with the issuance of the 0.375% 2013 Convertible Notes were exercised, resulting in a net cash payment of $100 million.

8. Stockholders’ equity

Stock repurchase program

Activity under our stock repurchase program was as follows (in millions):

	2013		2012	
	Shares	Dollars	Shares	Dollars
First quarter	9.1	$771	21.0	$1,429
Second quarter	—	—	17.4	1,203
Third quarter	—	—	9.7	797
Total stock repurchases	9.1	$771	48.1	$3,429

As of September 30, 2013, $1.6 billion remained available under our Board of Directors-approved stock repurchase program.

Dividends

On December 13, 2012, the Board of Directors declared a quarterly cash dividend of $0.47 per share of common stock, which was paid on March 7, 2013. On March 6, 2013, the Board of Directors declared a quarterly cash dividend of $0.47 per share of common stock, which was paid on June 7, 2013. On July 26, 2013, the Board of Directors declared a quarterly cash dividend of $0.47 per share of common stock, which was paid on September 6, 2013. On October 16, 2013, the Board of Directors declared a quarterly cash dividend of $0.47 per share of common stock, which will be paid on December 6, 2013 to all stockholders of record as of the close of business on November 14, 2013.

Accumulated other comprehensive income

The components of AOCI were as follows (in millions):

	Foreign currency translation	Cash flow hedges	Available-for-sale securities	Other	AOCI
Balance as of December 31, 2012	$12	$(35)	$ 183	$(14)	$146
Foreign currency translation adjustments	(36)	—	—	—	(36)
Unrealized gains (losses)	—	(25)	(32)	1	(56)
Reclassification adjustments to income	—	144	(67)	—	77
Income taxes	13	(44)	37	—	6
Balance as of March 31, 2013	(11)	40	121	(13)	137
Foreign currency translation adjustments	(39)	—	—	—	(39)
Unrealized gains (losses)	—	53	(318)	—	(265)
Reclassification adjustments to income	—	(18)	(7)	—	(25)
Income taxes	14	(13)	120	—	121
Balance as of June 30, 2013	(36)	62	(84)	(13)	(71)
Foreign currency translation adjustments	18	—	—	—	18
Unrealized gains (losses)	—	26	74	(2)	98
Reclassification adjustments to income	—	(159)	2	—	(157)
Income taxes	(6)	49	(28)	—	15
Balance as of September 30, 2013	$(24)	$(22)	$ (36)	$(15)	$(97)

The reclassifications out of AOCI to Net income were as follows (in millions):

Components of AOCI	Amounts reclassified out of AOCI Three months ended September 30, 2013	Nine months ended September 30, 2013	Line item affected in the Statements of Income
Cash flow hedges:			
Foreign currency contract gains	$6	$9	Product sales
Cross-currency swap contract gains	153	25	Interest and other income, net
Forward interest rate contract losses	—	(1)	Interest expense, net
	159	33	Total before income tax
	(59)	(13)	Tax (expense)/benefit
	$100	$20	Net of taxes
Available-for-sale securities:			
Net realized gains (losses)	$(2)	$72	Interest and other income, net
	1	(27)	Tax (expense)/benefit
	$(1)	$45	Net of taxes

9. Fair value measurement

To estimate the fair value of our financial assets and liabilities we use valuation approaches within a hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. The fair value hierarchy is divided into three levels based on the source of inputs as follows:

Level 1	—	Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access
Level 2	—	Valuations for which all significant inputs are observable, either directly or indirectly, other than level 1 inputs
Level 3	—	Valuations based on inputs that are unobservable and significant to the overall fair value measurement

The availability of observable inputs can vary among the various types of financial assets and liabilities. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used for measuring fair value may fall into different levels of the fair value hierarchy. In such cases, for financial statement disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is categorized is based on the lowest level of input used that is significant to the overall fair value measurement.

The fair value of each major class of the Company’s financial assets and liabilities measured at fair value on a recurring basis was as follows (in millions):

Fair value measurement as of September 30, 2013, using:	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets:				
Available-for-sale investments:				
U.S. Treasury securities	$ 6,173	$—	$—	$6,173
Other government-related debt securities:				
U.S.	—	1,122	—	1,122
Foreign and other	—	1,208	—	1,208
Corporate debt securities:				
Financial	—	3,460	—	3,460
Industrial	—	3,458	—	3,458
Other	—	337	—	337
Residential mortgage-backed securities	—	1,397	—	1,397
Other mortgage- and asset-backed securities	—	1,452	—	1,452
Money market mutual funds	6,907	—	—	6,907
Equity securities	91	—	—	91
Derivatives:				
Foreign currency contracts	—	36	—	36
Cross-currency swap contracts	—	133	—	133
Interest rate swap contracts	—	13	—	13
Total assets	$ 13,171	$12,616	$—	$25,787
Liabilities:				
Derivatives:				
Foreign currency contracts	$ —	$71	$—	$71
Cross-currency swap contracts	—	7	—	7
Interest rate swap contracts	—	97	—	97
Contingent consideration obligations in connection with a business combination	—	—	332	332
Total liabilities	$ —	$175	$332	$507

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Fair value measurement as of December 31, 2012, using:	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets:				
Available-for-sale investments:				
U.S. Treasury securities	$ 4,458	$—	$—	$4,458
Other government-related debt securities:				
U.S.	—	1,030	—	1,030
Foreign and other	—	1,608	—	1,608
Corporate debt securities:				
Financial	—	3,361	—	3,361
Industrial	—	4,380	—	4,380
Other	—	452	—	452
Residential mortgage-backed securities	—	1,829	—	1,829
Other mortgage- and asset-backed securities	—	1,767	—	1,767
Money market mutual funds	2,620	—	—	2,620
Other short-term interest-bearing securities	—	2,186	—	2,186
Equity securities	54	—	—	54
Derivatives:				
Foreign currency contracts	—	46	—	46
Cross-currency swap contracts	—	65	—	65
Total assets	$ 7,132	$16,724	$—	$23,856
Liabilities:				
Derivatives:				
Foreign currency contracts	$ —	$59	$—	$59
Cross-currency swap contracts	—	6	—	6
Contingent consideration obligations in connection with a business combination	—	—	221	221
Total liabilities	$ —	$65	$221	$286

The fair values of our U.S. Treasury securities, money market mutual funds and equity securities are based on quoted market prices in active markets with no valuation adjustment.

Most of our other government-related and corporate debt securities are investment grade with maturity dates of five years or less from the balance sheet date. Our other government-related debt securities portfolio is composed of securities with weighted-average credit ratings of A+ by S&P, AA- or equivalent by Moody's or Fitch, Inc. (Fitch); and our corporate debt securities portfolio has a weighted-average credit rating of A- or equivalent by S&P, BBB+ by Moody's or Fitch. We estimate the fair values of these securities by taking into consideration valuations obtained from third-party pricing services. The pricing services utilize industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities; issuer credit spreads; benchmark securities; and other observable inputs.

Our residential mortgage-, other mortgage- and asset-backed securities portfolio is composed entirely of senior tranches, with credit ratings of AAA by S&P, Moody's or Fitch. We estimate the fair values of these securities by taking into consideration valuations obtained from third-party pricing services. The pricing services utilize industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities; issuer credit spreads; benchmark securities; prepayment/default projections based on historical data; and other observable inputs.

We value our other short-term interest-bearing securities at amortized cost, which approximates fair value given their near term maturity dates.

All of our foreign currency forward and option derivatives contracts have maturities of three years or less and all are with counterparties that have minimum credit ratings of A- or equivalent by S&P, Moody’s or Fitch. We estimated the fair values of these contracts by taking into consideration valuations obtained from a third-party valuation service that utilizes an income-based

industry standard valuation model for which all significant inputs are observable, either directly or indirectly. These inputs include foreign currency rates, LIBOR cash and swap rates and obligor credit default swap rates. In addition, inputs for our foreign currency option contracts also include implied volatility measures. These inputs, where applicable, are at commonly quoted intervals. See Note 10, Derivative instruments.

Our cross-currency swap contracts are with counterparties that have minimum credit ratings of A- or equivalent by S&P, Moody's or Fitch. We estimated the fair values of these contracts by taking into consideration valuations obtained from a third-party valuation service that utilizes an income-based industry standard valuation model for which all significant inputs are observable either directly or indirectly. These inputs include foreign currency exchange rates, LIBOR, swap rates, obligor credit default swap rates and cross-currency basis swap spreads. See Note 10, Derivative instruments.

Our interest rate swap contracts are with counterparties that have minimum credit ratings of A- or equivalent by S&P, Moody's or Fitch. We estimated the fair values of these contracts by using an income-based industry standard valuation model for which all significant inputs were observable either directly or indirectly. These inputs included LIBOR, swap rates and obligor credit default swap rates. See Note 10, Derivative instruments.

As a result of our acquisition of BioVex Group, Inc. in March 2011, we are obligated to pay its former shareholders up to $575 million of additional consideration contingent upon achieving up to eight separate regulatory and sales-related milestones with regard to talimogene laherparepvec, which was acquired in the acquisition and is currently in phase 3 clinical development for the treatment of melanoma. The three largest of these potential payments are $125 million each, including the amount due if a Biologics License Application (BLA) is filed with the U.S. Food and Drug Administration (FDA). Potential payments are also due upon the first commercial sale in each of the United States and the European Union (EU) following receipt of marketing approval which includes use of the product in specified patient populations and upon achievement of specified levels of sales within specified periods of time. These contingent consideration obligations are recorded at their estimated fair values with any changes in fair value recognized in earnings. The fair value measurements of these obligations are based on significant unobservable inputs, including the estimated probabilities and timing of achieving the related regulatory and commercial events in connection with these milestones and, as applicable, estimated annual sales. Significant changes (increases or decreases) in these inputs would result in corresponding changes in the fair values of the contingent consideration obligations.

We revalue these contingent consideration obligations each reporting period until the related contingencies are resolved. We estimate the fair values of these obligations by using a combination of probability-adjusted discounted cash flows, option pricing techniques and a simulation model of expected annual sales. Quarterly, management in our R&D and commercial sales organizations review key assumptions used in the fair value measurements of these obligations. In the absence of any significant changes in key assumptions, the changes in fair values of these contingent consideration obligations reflect the passage of time and changes in our credit risk adjusted rate used to discount obligations to present value. During the three months ended June 30, 2013, there were increases in management's estimates of the probabilities of completing the BLA filing and receiving approval to market talimogene laherparepvec in specified patient populations in the United States and EU. Due primarily to these changes in key assumptions, the estimated aggregate fair value of the contingent consideration obligations increased $111 million during the nine months ended September 30, 2013. There was no change in the estimated aggregate fair value of the contingent consideration obligations during the three months ended September 30, 2013. During the three and nine months ended September 30, 2012, the estimated aggregate fair value of the contingent consideration obligations increased $2 million and $5 million, respectively. Changes in contingent consideration obligations were recorded in Other operating expenses in the Condensed Consolidated Statements of Income.

There have been no transfers of assets or liabilities between the fair value measurement levels, and there were no material remeasurements to fair value during the nine months ended September 30, 2013 and 2012, of assets and liabilities that are not measured at fair value on a recurring basis.

Summary of the fair value of other financial instruments

Cash equivalents

The estimated fair values of cash equivalents approximate their carrying values due to the short-term nature of these financial instruments.

Borrowings

We estimated the fair values of our long-term notes (Level 2) by taking into consideration indicative prices obtained from a third-party financial institution that utilizes industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable either directly or indirectly. These inputs include reported trades of and

broker/dealer quotes on the same or similar securities; credit spreads; benchmark yields; foreign currency exchange rates, as applicable; and other observable inputs. As of September 30, 2013, and December 31, 2012, the aggregate fair values of our long-term debt were $28.3 billion and $29.9 billion, respectively, and the carrying values were $27.2 billion and $26.5 billion, respectively.

10. Derivative instruments

The Company is exposed to foreign currency exchange rate and interest rate risks related to its business operations. To reduce our risks related to these exposures, we utilize or have utilized certain derivative instruments, including foreign currency forward, foreign currency option, cross-currency swap, forward interest rate and interest rate swap contracts. We do not use derivatives for speculative trading purposes.

Cash flow hedges

We are exposed to possible changes in the values of certain anticipated foreign currency cash flows resulting from changes in foreign currency exchange rates, associated primarily with our euro-denominated international product sales. Increases and decreases in the cash flows associated with our international product sales due to movements in foreign currency exchange rates are offset partially by the corresponding increases and decreases in our international operating expenses resulting from these foreign currency exchange rate movements. To further reduce our exposure to foreign currency exchange rate fluctuations on our international product sales, we enter into foreign currency forward and option contracts to hedge a portion of our projected international product sales primarily over a three-year time horizon, with, at any given point in time, a higher percentage of nearer-term projected product sales being hedged than in successive periods. As of September 30, 2013, and December 31, 2012, we had open foreign currency forward contracts with notional amounts of $3.8 billion and $3.7 billion, respectively, and open foreign currency option contracts with notional amounts of $210 million and $200 million, respectively. These foreign currency forward and option contracts, primarily euro based, have been designated as cash flow hedges, and accordingly, the effective portions of the unrealized gains and losses on these contracts are reported in AOCI in the Condensed Consolidated Balance Sheets and reclassified to earnings in the same periods during which the hedged transactions affect earnings.

To hedge our exposure to foreign currency exchange rate risk associated with certain of our long-term notes denominated in foreign currencies, we entered into cross-currency swap contracts. Under the terms of these contracts, we paid euros/pounds sterling and received U.S. dollars for the notional amounts at the inception of the contracts, and we exchange interest payments based on these notional amounts at fixed rates over the lives of the contracts in which we pay U.S. dollars and receive euros/pounds sterling. In addition, we will pay U.S. dollars to and receive euros/pounds sterling from the counterparties at the maturities of the contracts for these same notional amounts. The terms of these contracts correspond to the related hedged notes, effectively converting the interest payments and principal repayment on these notes from euros/pounds sterling to U.S. dollars. These cross-currency swap contracts have been designated as cash flow hedges, and accordingly, the effective portions of the unrealized gains and losses on these contracts are reported in AOCI and reclassified to earnings in the same periods during which the hedged debt affects earnings. The notional amounts and interest rates of our cross-currency swaps are as follows (notional amounts in millions):

	Foreign currency			U.S. dollars		
Hedged notes	Notional Amount	Interest rate		Notional Amount	Interest rate	
2.125% 2019 euro Notes	€675	2.125	%	$864	2.6	%
5.50% 2026 pound sterling Notes	£475	5.50	%	$748	5.8	%
4.00% 2029 pound sterling Notes	£700	4.00	%	$1,122	4.3	%

In connection with the anticipated issuance of long-term fixed-rate debt, we occasionally enter into forward interest rate contracts in order to hedge the variability in cash flows due to changes in the applicable Treasury rate between the time we enter into these contracts and the time the related debt is issued. Gains and losses on such contracts, which are designated as cash flow hedges, are reported in AOCI and amortized into earnings over the lives of the associated debt issuances.

The effective portion of the unrealized gain/(loss) recognized in other comprehensive income for our derivative instruments designated as cash flow hedges was as follows (in millions):

	Three months ended September 30,		Nine months ended September 30,	
Derivatives in cash flow hedging relationships	2013	2012	2013	2012
Foreign currency contracts	$(137)	$(127)	$(16)	$(25)
Cross-currency swap contracts	163	38	70	11
Forward interest rate contracts	—	—	—	(7)
Total	$26	$(89)	$54	$(21)

The location in the Condensed Consolidated Statements of Income and the effective portion of the gain/(loss) reclassified out of AOCI into earnings for our derivative instruments designated as cash flow hedges were as follows (in millions):

		Three months ended September 30,		Nine months ended September 30,	
Derivatives in cash flow hedging relationships	Statements of Income location	2013	2012	2013	2012
Foreign currency contracts	Product sales	$6	$38	$9	$67
Cross-currency swap contracts	Interest and other income, net	153	58	25	54
Forward interest rate contracts	Interest expense, net	—	—	(1)	(1)
Total		$159	$96	$33	$120

No portions of our cash flow hedge contracts are excluded from the assessment of hedge effectiveness, and the gains and losses on the ineffective portions of these hedging instruments were not material for the three and nine months ended September 30, 2013 and 2012. As of September 30, 2013, the amounts expected to be reclassified out of AOCI into earnings over the next 12 months are approximately $20 million of net losses on our foreign currency and cross-currency swap contracts and approximately $1 million of losses on forward interest rate contracts.

Fair value hedges

To achieve a desired mix of fixed and floating interest rates on our long-term debt, we entered into interest rate swap contracts, which qualified and were designated as fair value hedges. The terms of these interest rate swap contracts corresponded to the related hedged debt instruments and effectively converted a fixed interest rate coupon to a floating LIBOR-based coupon over the lives of the respective notes. Due to historically low interest rates, during the three months ended June 30, 2012, we terminated our interest rate swap contracts with an aggregate notional amount of $3.6 billion with respect to our 4.85% 2014 Notes, 5.85% 2017 Notes, 6.15% 2018 Notes and 5.70% 2019 Notes with rates that ranged from LIBOR plus 0.3% to LIBOR plus 2.6%.

During the three months ended March 31, 2013, we entered into interest rate swap contracts with an aggregate notional amount of $2.5 billion with respect to our 3.875% 2021 Notes and our 3.625% 2022 Notes. During the three months ended June 30, 2013, we entered into interest rate swap contracts with an aggregate notional amount of $1.9 billion with respect to our 3.45% 2020 Notes and our 4.10% 2021 Notes. The contracts have rates that range from three-month LIBOR plus 1.1% to three-month LIBOR plus 2.0%.

For derivative instruments that are designated and qualify as fair value hedges, the unrealized gain or loss on the derivative resulting from the change in fair value during the period as well as the offsetting unrealized loss or gain of the hedged item resulting from the change in fair value during the period attributable to the hedged risk is recognized in current earnings. For the three and nine months ended September 30, 2013, we included the unrealized losses on the hedged debt of $7 million and gains of $84 million, respectively, in the same line item, Interest expense, net, in the Condensed Consolidated Statements of Income, as the offsetting unrealized gains of $7 million and losses of $84 million, respectively, on the related interest rate swap contracts. For the nine months ended September 30, 2012, we included the unrealized losses on the hedged debt of $20 million in the same line item, Interest expense, net, in the Condensed Consolidated Statements of Income, as the offsetting unrealized gains of $20 million on the related interest rate swap contracts.

Derivatives not designated as hedges

We enter into foreign currency forward contracts that are not designated as hedging transactions to reduce our exposure to foreign currency fluctuations of certain assets and liabilities denominated in foreign currencies. These exposures are hedged on a month-to-month basis. As of September 30, 2013, and December 31, 2012, the total notional amounts of these foreign currency forward contracts were $694 million and $629 million, respectively.

The location in the Condensed Consolidated Statements of Income and the amount of gain/(loss) recognized in earnings for our derivative instruments not designated as hedging instruments were as follows (in millions):

		Three months ended September 30,		Nine months ended September 30,	
Derivatives not designated as hedging instruments	Statements of Income location	2013	2012	2013	2012
Foreign currency contracts	Interest and other income, net	$15	$3	$10	$13

The fair values of derivatives included in the Condensed Consolidated Balance Sheets were as follows (in millions):

	Derivative assets		Derivative liabilities	
September 30, 2013	Balance Sheet location	Fair value	Balance Sheet location	Fair value
Derivatives designated as hedging instruments:				
Cross-currency swap contracts	Other current assets/ Other noncurrent assets	$133	Accrued liabilities/ Other noncurrent liabilities	$7
Foreign currency contracts	Other current assets/ Other noncurrent assets	36	Accrued liabilities/ Other noncurrent liabilities	71
Interest rate swap contracts	Other current assets/ Other noncurrent assets	13	Accrued liabilities/ Other noncurrent liabilities	97
Total derivatives designated as hedging instruments		182		175
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Other current assets	—	Accrued liabilities	—
Total derivatives not designated as hedging instruments		—		—
Total derivatives		$182		$175

December 31, 2012	Derivative assets Balance Sheet location	Fair value	Derivative liabilities Balance Sheet location	Fair value
Derivatives designated as hedging instruments:				
Cross-currency swap contracts	Other current assets/ Other noncurrent assets	$65	Accrued liabilities/ Other noncurrent liabilities	$6
Foreign currency contracts	Other current assets/ Other noncurrent assets	45	Accrued liabilities/ Other noncurrent liabilities	58
Total derivatives designated as hedging instruments		110		64
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Other current assets	1	Accrued liabilities	1
Total derivatives not designated as hedging instruments		1		1
Total derivatives		$111		$65

Our derivative contracts that were in liability positions as of September 30, 2013, contain certain credit-risk-related contingent provisions that would be triggered if: (i) we were to undergo a change in control and (ii) our or the surviving entity's creditworthiness deteriorates, which is generally defined as having either a credit rating that is below investment grade or a materially weaker creditworthiness after the change in control. If these events were to occur, the counterparties would have the right, but not the obligation, to close the contracts under early-termination provisions. In such circumstances, the counterparties could request immediate settlement of these contracts for amounts that approximate the then current fair values of the contracts. In addition, our derivative contracts are not subject to any type of master netting arrangement, and amounts due to or from a counterparty under these contracts may only be offset against other amounts due to or from the same counterparty if an event of default or termination, as defined, were to occur.

The cash flow effects of our derivatives contracts for the nine months ended September 30, 2013 and 2012, are included within Net cash provided by operating activities in the Condensed Consolidated Statements of Cash Flows.

11. Contingencies and commitments

Contingencies

In the ordinary course of business, we are involved in various legal proceedings and other matters, including those discussed in this Note, that are complex in nature and have outcomes that are difficult to predict. See Note 18, Contingencies and commitments to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2012, and Note 11, Contingencies and commitments to our condensed consolidated financial statements in our Quarterly Reports on Form 10-Q for the periods ended March 31, 2013 and June 30, 2013 for further discussion of certain of our legal proceedings and other matters.

We record accruals for loss contingencies to the extent that we conclude that it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated. We evaluate, on a quarterly basis, developments in legal proceedings and other matters that could cause an increase or decrease in the amount of the liability that has been accrued previously.

Our legal proceedings range from cases brought by a single plaintiff to class actions with thousands of putative class members. These legal proceedings, as well as other matters, involve various aspects of our business and a variety of claims (including but not limited to patent infringement, marketing, pricing and trade practices and securities law), some of which present novel factual allegations and/or unique legal theories. In each of the matters described in this filing, in Note 18 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2012, or in Note 11 to our condensed consolidated financial statements in our Quarterly Reports on Form 10-Q for the periods ended March 31, 2013, and June 30, 2013, plaintiffs seek an award of a not-yet-quantified

amount of damages or an amount that is not material. In addition, a number of the matters pending against us are at very early stages of the legal process (which in complex proceedings of the sort faced by us often extend for several years). As a result, none of the matters described in these filings have progressed sufficiently through discovery and/or development of important factual information and legal issues to enable us to estimate a range of possible loss, if any, or such amounts are not material. While it is not possible to accurately predict or determine the eventual outcomes of these items, an adverse determination in one or more of these items currently pending could have a material adverse effect on our consolidated results of operations, financial position or cash flows.

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Certain recent developments concerning our legal proceedings and other matters are discussed below:

Sandoz Patent Litigation

As previously disclosed, Sandoz, Inc. filed a complaint against Amgen and Hoffman-La Roche, Inc. (Roche) alleging that U.S. Patent Nos. 8,063,182 and 8,163,522 are invalid and seeking a declaratory judgment of non-infringement, invalidity and unenforceability of the '182 and '522 patents. On August 16, 2013, Amgen and Roche filed a motion to dismiss Sandoz's complaint for lack of subject matter jurisdiction. A hearing on the motion to dismiss is set for November 15, 2013.

Onyx Litigation

Between August 28, 2013 and September 16, 2013, nine plaintiffs filed purported class action lawsuits against Onyx, its directors, Amgen and Arena Acquisition Company, and unnamed "John Doe" defendants in connection with Amgen's acquisition of Onyx. Seven of those purported class actions were brought in the Superior Court of the State of California for the County of San Mateo, captioned Lawrence I. Silverstein and Phil Rosen v. Onyx Pharmaceuticals, Inc., et al. (August 28, 2013) ("Silverstein"), Laura Robinson v. Onyx Pharmaceuticals, Inc., et al. (originally filed in the Superior Court for the County of San Francisco on August 28, 2013, and re-filed in the Superior Court for the County of San Mateo on August 29, 2013) ("Robinson"), John Solak v. Onyx Pharmaceuticals, Inc., et al. (August 30, 2013), Louisiana Municipal Police Employees' Retirement System and Hubert Chow v. Onyx Pharmaceuticals, Inc., et al. (September 3, 2013) ("Louisiana Municipal"), Laurine Jonopulos v. Onyx Pharmaceuticals, Inc., et al. (September 4, 2013) ("Jonopulos"), Clifford G. Martin v. Onyx Pharmaceuticals, Inc., et al. (September 9, 2013) ("Martin") and Merrill L. Magowan v. Onyx Pharmaceuticals, Inc. et al. (September 9, 2013) ("Magowan"). The eighth and ninth purported class actions were brought in the Court of Chancery of the State of Delaware, captioned Mark D. Smilow, IRA v. Onyx Pharmaceuticals Inc., et al. (August 29, 2013) and William L. Fitzpatric v. Onyx Pharmaceuticals, Inc., et al. (September 16, 2013) ("Fitzpatric"). On September 5, 2013, the plaintiff in the John Solak case filed a request for dismissal of the case without prejudice. On September 10, 2013, the plaintiff in the Mark D. Smilow, IRA case filed a notice and proposed order of voluntary dismissal of the case without prejudice. On September 10, 2013, plaintiffs in the Silverstein and Louisiana Municipal cases filed an amended complaint alleging substantially the same claims and seeking substantially the same relief as in their individual purported class action lawsuits. Each of the lawsuits alleges that the Onyx director defendants breached their fiduciary duties to Onyx shareholders, and that the other defendants aided and abetted such breaches, by seeking to sell Onyx through an allegedly unfair process and for an unfair price and on unfair terms. The Magowan and Fitzpatric complaints and the amended complaint filed in the Silverstein and Louisiana Municipal cases also allege that the individual defendants breached their fiduciary duties with respect to the contents of the tender offer solicitation material. Each of the lawsuits seeks, among other things, equitable relief that would enjoin the consummation of the proposed merger, rescission of the merger agreement (to the extent it has already been implemented), and attorneys' fees and costs, and certain of the lawsuits seek other relief. The Silverstein, Robinson, Louisiana Municipal and Jonopulos cases were designated as "complex" and assigned to the Honorable Marie S. Weiner, who subsequently entered an order consolidating the Silverstein, Robinson, Louisiana Municipal, Jonopulos, Martin and Magowan cases.

Federal Securities Litigation - In re Amgen Inc. Securities Litigation

The trial date for this securities class action lawsuit pending against Amgen has been set by the U.S. District Court for the Central District of California for June 1, 2015.

Government Investigations and Qui Tam Actions

As previously disclosed, Amgen accrued an immaterial amount to resolve the last remaining Original Qui Tam Action (as defined in Note 18, Contingencies and commitments to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2012). In September 2013, the U.S. District Court for the Eastern District of New York granted the government's motion to dismiss the complaint of the relator plaintiffs based on prosecutorial discretion.

12. Subsequent event

On October 1, 2013, we completed our acquisition of Onyx, a publicly held biopharmaceutical company engaged in the development and commercialization of innovative therapies for improving the lives of people with cancer, which became a wholly owned subsidiary of Amgen. This transaction, which was accounted for as a business combination, provides us with an important and growing multiple myeloma franchise, with Kyprolis® (carfilzomib) for Injection

already approved in the United States, and with oprozomib being evaluated in clinical trials for patients with hematologic malignancies. In addition, Onyx has collaborations with Bayer HealthCare Pharmaceuticals, Inc., for two of Bayer's marketed oncology products: Nexavar® (sorafenib) tablets, for which Onyx and Bayer have a profit-sharing relationship, and Stivarga® (regorafenib) tablets, for which Onyx receives sales-based royalties from Bayer. Onyx also has a collaboration with Pfizer related to palbociclib, an oncology product being developed by Pfizer for which Onyx will receive sales-based royalties.

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The net cash consideration to acquire Onyx totaled approximately $9.7 billion which equals a price of $125 per share of common stock.

Given the timing of the closing of this transaction, we are currently in the process of valuing the assets acquired and liabilities assumed in the business combination. As a result, we are not yet able to provide the amounts to be recognized as of the acquisition date for the major classes of assets acquired and liabilities assumed and other related disclosures. We will include this and other related information in our 2013 Annual Report on Form 10-K.

We financed the transaction with approximately $1.6 billion cash on hand, $3.1 billion in bank debt issued on September 30, 2013, and $5.0 billion in bank debt issued on October 1, 2013. See Note 7, Financing arrangements.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking statements

This report and other documents we file with the SEC contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, our future performance, our business, our beliefs and our management’s assumptions. In addition, we, or others on our behalf, may make forward-looking statements in press releases or written statements or in our communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls. Such words as “expect,” “anticipate,” “outlook,” “could,” “target,” “project,” “intend,” “plan,” “believe,” “seek,” “estimate,” “should,” “may,” “assume,” and “conti variations of such words and similar expressions, are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. We describe our respective risks, uncertainties and assumptions that could affect the outcome or results of operations in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012. We have based our forward-looking statements on our management’s beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that actual outcomes and results may differ materially from what is expressed, implied or forecast by our forward-looking statements. Reference is made in particular to forward-looking statements regarding product sales, regulatory activities, clinical trial results, reimbursement, expenses, EPS, liquidity and capital resources, trends and planned dividends and stock repurchases. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update publicly any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions or otherwise.

Overview

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to assist the reader in understanding Amgen’s business. MD&A is provided as a supplement to, and should be read in conjunction with, our Annual Report on Form 10-K for the year ended December 31, 2012 and our Quarterly Reports on Form 10-Q for the periods ended March 31, 2013, and June 30, 2013. Our results of operations discussed in MD&A are presented in conformity with GAAP.

Amgen discovers, develops, manufactures, and delivers innovative human therapeutics. A biotechnology pioneer since 1980, Amgen was one of the first companies to realize the new science's promise by bringing safe, effective medicines from lab to manufacturing plant to patient. Amgen therapeutics have changed the practice of medicine, helping people around the world in the fight against serious illnesses. With a deep and broad pipeline of potential new medicines, Amgen remains committed to advancing science to dramatically improve people's lives. Amgen operates in one business segment: human therapeutics. Therefore, our results of operations are discussed on a consolidated basis.

Currently, we market primarily recombinant protein therapeutics for supportive cancer care, inflammation, nephrology and bone disease. Our principal products are Neulasta® (pegfilgrastim), NEUPOGEN® (filgrastim), Enbrel® (etanercept), XGEVA® (denosumab), Prolia® (denosumab) and our erythropoiesis-stimulating agents: Aranesp® (darbepoetin alfa) and EPOGEN® (epoetin alfa). Our product sales outside the United States consist principally of sales in Europe. For the three and nine months ended September 30, 2013, our principal products represented 89% and 88% of worldwide product sales, respectively, compared with 89% for the corresponding periods of the prior year. Our other marketed products include principally Sensipar®/Mimpara® (cinacalcet), Vectibix® (panitumumab) and Nplate® (romiplostim).

Significant developments

Following is a summary of selected significant developments affecting our business that have occurred since June 30, 2013. For additional developments or for a more comprehensive discussion of certain developments discussed below, see our Annual Report on Form 10-K for the year ended December 31, 2012 and our Quarterly Reports on Form 10-Q for the periods ended March 31, 2013, and June 30, 2013.

Acquisition

- In October 2013, we acquired Onyx, a biopharmaceutical company engaged in the development and commercialization of innovative therapies for improving the lives of people with cancer. Onyx has an important and growing multiple myeloma franchise, with Kyprolis® (carfilzomib) for Injection already approved in the United States, and with oprozomib being evaluated in clinical trials for patients with hematologic malignancies. In addition, Onyx has collaborations with Bayer HealthCare Pharmaceuticals, Inc., for two of Bayer's marketed oncology products: Nexavar® (sorafenib) tablets, for which Onyx and Bayer have a profit-sharing relationship, and Stivarga® (regorafenib) tablets, for which Onyx receives sales-based royalties from Bayer. Onyx also has a collaboration with Pfizer related to palbociclib, an oncology product being developed by Pfizer for which Onyx will receive sales-based royalties. See Note 12, Subsequent event to the condensed consolidated financial statements.

We believe there is a significant opportunity to grow Kyprolis®. Ongoing studies to support and extend the position of Kyprolis® in multiple myeloma include:

- The FOCUS trial, which could support the EU filing for the indication of relapsed/refractory multiple myeloma, is expected to read out in the first half of 2014.
- The ASPIRE trial is the confirmatory trial for full U.S. approval as well as a registration-enabling study for relapsed multiple myeloma in the United States and the EU. The Independent Data Monitoring Committee review of interim analysis is projected to occur in the first half of 2014.
- The ENDEAVOR trial compares Kyprolis® with Velcade® (bortezomib) in patients with relapsed multiple myeloma who have received one to three prior therapies.
- The CLARION trial compares Kyprolis® with Velcade® in patients with newly diagnosed multiple myeloma.

Products/Pipeline

Vectibix®

- In September 2013, we presented results from the phase 3 ASPECCT ('763) trial comparing Vectibix® with Erbitux® (cetuximab) for the treatment of wild-type KRAS metastatic colorectal cancer in patients who have not responded to chemotherapy. The study met its primary endpoint, demonstrating that panitumumab was non-inferior to cetuximab for overall survival. In Europe, the ASPECCT trial is a Specific Obligation for Vectibix® as part of the European Medicine Agency's conditional marketing authorization.

Trebananib

- In October 2013, we announced that the primary analysis of the event-driven overall survival secondary endpoint from the ongoing pivotal phase 3 study in recurrent ovarian cancer (TRINOVA-1) is projected to occur in the second half of 2014.
- In October 2013, we announced that enrollment has been closed in a phase 3 study in recurrent ovarian cancer (TRINOVA-2) due to DOXIL® (doxorubicin HCl liposome injection) supply issues.
- In October 2013, we discussed that enrollment will be reduced in the phase 3 study in first-line ovarian cancer (TRINOVA-3) while maintaining the integrity of the primary endpoint (progression-free survival).

Evolocumab (AMG 145)

- In October 2013, we announced that all of the pivotal lipid lowering studies of evolocumab have completed enrollment and that data are expected in the first quarter of 2014.

Brodalumab

- In October 2013, we announced that all phase 3 studies in subjects with psoriasis have completed enrollment and that data are expected in 2014.

Ivabradine

- In August 2013, we obtained the commercial rights in the United States to Servier's novel oral drug ivabradine. Ivabradine is approved in the EU for chronic heart failure and stable angina in patients with elevated heart rates, as well as approved in more than 100 other countries, excluding the United States.

Biosimilars

- In October 2013, we announced that we commenced a pivotal study in subjects with psoriasis for our biosimilar Humira® (adalimumab).

Selected financial information

The following is an overview of our results of operations (in millions, except percentages and per share data):

	Three months ended September 30,				Nine months ended September 30,			
	2013	2012	Change		2013	2012	Change	
Product sales:								
U.S.	$3,625	$3,248	12	%	$10,358	$9,500	9	%
Rest-of-the-world (ROW)	1,022	953	7	%	3,035	2,802	8	%
Total product sales	4,647	4,201	11	%	13,393	12,302	9	%
Other revenues	101	118	(14	)%	272	542	(50	)%
Total revenues	$4,748	$4,319	10	%	$13,665	$12,844	6	%
Operating expenses	$3,060	$2,896	6	%	$8,985	$8,355	8	%
Operating income	$1,688	$1,423	19	%	$4,680	$4,489	4	%
Net income	$1,368	$1,107	24	%	$4,060	$3,557	14	%
Diluted EPS	$1.79	$1.41	27	%	$5.31	$4.51	18	%
Diluted shares	766	783	(2	)%	764	789	(3	)%

The increases in global product sales for the three and nine months ended September 30, 2013, were driven by ENBREL, Neulasta®, XGEVA® and Prolia®. Product sales included a $155-million order for NEUPOGEN® from the U.S. government in the third quarter. Product sales for the nine months ended September 30, 2013, also included a positive adjustment of $164 million to previous years' estimates for managed Medicaid rebates based on recent claims experience. In the United States, we pay rebates to the states for our products that are covered and reimbursed by state Medicaid programs. One of the provisions of the Affordable Care Act—a U.S. healthcare reform law that became effective in 2010—was the extension of the Medicaid drug rebate program to patients in Medicaid managed care insurance plans for whom rebates were not previously required. As we sell product, we estimate the amount of Medicaid rebate that will be paid by us based on the product sold, contractual terms, estimated patient population, historical experience and wholesaler inventory levels, and we accrue these rebates in the period the related sale is recorded. We then adjust the rebate accruals as more information becomes available and to reflect actual claims experience. Estimating such rebates is complicated, in part, due to the limited availability of actual claims data as a result of the time delay between the date of sale and the actual settlement of the liability, which can take more than one year.

Other revenues for the three months ended September 30, 2013, decreased slightly. The decrease in other revenues for the nine months ended September 30, 2013, was due primarily to revenue recognized in the prior year related to changes in our motesanib collaboration with Takeda and milestone payments received in the prior year from AstraZeneca and Astellas Pharma Inc.

The increases in operating expenses for the three and nine months ended September 30, 2013, were driven primarily by R&D and Selling, general & administrative (SG&A) spending.

Net income for the three months ended September 30, 2013, increased due primarily to higher operating income. The increase in net income for the nine months ended September 30, 2013, was due primarily to a lower effective income tax rate driven by tax benefits recognized in the first quarter as well as higher operating income.

The increases in diluted EPS for the three and nine months ended September 30, 2013, were driven primarily by an increase in net income and, to a lesser extent, by the favorable impact of our stock repurchase program in 2012 and the first quarter of 2013, which reduced the number of shares used to compute diluted EPS. We did not repurchase any shares during the second or third quarter of 2013.

Results of operations
Product sales
Worldwide product sales were as follows (dollar amounts in millions):

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	Change	2013	2012	Change
Neulasta®/NEUPOGEN®	$1,601	$1,355	18 %	$4,383	$4,046	8 %
ENBREL	1,155	1,079	7 %	3,351	3,075	9 %
Aranesp®	449	497	(10)%	1,441	1,551	(7)%
EPOGEN®	491	491	— %	1,428	1,462	(2)%
XGEVA®	261	201	30 %	733	533	38 %
Prolia®	178	110	62 %	508	318	60 %
Other products	512	468	9 %	1,549	1,317	18 %
Total product sales	$4,647	$4,201	11 %	$13,393	$12,302	9 %

Future sales of our products are influenced by a number of factors, some of which may impact sales of certain of our products more significantly than others. Such factors are discussed below and in the Overview, Item 1. Business — Marketed Products, Item 1A. Risk Factors and Item 7 — Product Sales in our Annual Report on Form 10-K for the year ended December 31, 2012.

Neulasta®/NEUPOGEN®

Total Neulasta®/NEUPOGEN® sales by geographic region were as follows (dollar amounts in millions):

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	Change	2013	2012	Change
Neulasta®— U.S.	$905	$824	10 %	$2,629	$2,432	8 %
Neulasta®— ROW	230	220	5 %	665	666	— %
Total Neulasta®	1,135	1,044	9 %	3,294	3,098	6 %
NEUPOGEN®— U.S.	409	249	64 %	918	756	21 %
NEUPOGEN®— ROW	57	62	(8)%	171	192	(11)%
Total NEUPOGEN®	466	311	50 %	1,089	948	15 %
Total Neulasta®/NEUPOGEN®	$1,601	$1,355	18 %	$4,383	$4,046	8 %

The increase in global Neulasta® sales for the three months ended September 30, 2013, was driven by an increase in the average net sales price. The increase in global Neulasta® sales for the nine months ended September 30, 2013, was driven by an increase in the average net sales price, offset partially by a decline in units.

The increases in global NEUPOGEN® sales for the three and nine months ended September 30, 2013, were driven by a $155-million order from the U.S. government. Excluding the special order, sales for the three and nine months ended September 30, 2013, reflected decreases in unit demand, offset partially by increases in the average net sales price.

Our outstanding material U.S. patents for filgrastim (NEUPOGEN®) expire in December 2013. We expect to face competition in the United States beginning in the fourth quarter of 2013, which may have a material adverse impact over time on sales of NEUPOGEN® and Neulasta®.

ENBREL

Total ENBREL sales by geographic region were as follows (dollar amounts in millions):

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	Change	2013	2012	Change
ENBREL — U.S.	$1,073	$1,012	6 %	$3,136	$2,881	9 %
ENBREL — Canada	82	67	22 %	215	194	11 %
Total ENBREL	$1,155	$1,079	7 %	$3,351	$3,075	9 %

The increases in ENBREL sales for the three and nine months ended September 30, 2013, were driven primarily by increases in the average net sales price, offset partially by slight unit declines.

Aranesp®

Total Aranesp® sales by geographic region were as follows (dollar amounts in millions):

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	Change	2013	2012	Change
Aranesp® — U.S.	$171	$178	(4)%	$567	$595	(5)%
Aranesp® — ROW	278	319	(13)%	874	956	(9)%
Total Aranesp®	$449	$497	(10)%	$1,441	$1,551	(7)%

The decreases in global Aranesp® sales for the three and nine months ended September 30, 2013, were driven by a decline in units and we expect sales to continue trending slightly downward.

EPOGEN®

Total EPOGEN® sales were as follows (dollar amounts in millions):

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	Change	2013	2012	Change
EPOGEN® — U.S.	$491	$491	— %	$1,428	$1,462	(2)%

EPOGEN® sales for the three months ended September 30, 2013, were flat. EPOGEN® sales for the nine months ended September 30, 2013, declined 2%.

The Centers for Medicare & Medicaid Services was directed to reduce the dialysis services and the related end stage renal disease payment bundle amount effective January 1, 2014, under the American Taxpayer Relief Act enacted in January 2013. This change may have an adverse impact on EPOGEN® sales. A final ruling is expected in November.

XGEVA® and Prolia®

Total XGEVA® and total Prolia® sales by geographic region were as follows (dollar amounts in millions):

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	Change	2013	2012	Change
XGEVA® — U.S.	$194	$171	13 %	$561	$466	20 %
XGEVA® — ROW	67	30	*	172	67	*
Total XGEVA®	261	201	30 %	733	533	38 %
Prolia® — U.S.	109	68	60 %	314	197	59 %
Prolia® — ROW	69	42	64 %	194	121	60 %
Total Prolia®	178	110	62 %	508	318	60 %
Total XGEVA®/Prolia®	$439	$311	41 %	$1,241	$851	46 %

* Change in excess of 100%

The increases in global XGEVA® and Prolia® sales for the three and nine months ended September 30, 2013, were driven by unit growth reflecting increased segment share.

Sequentially, global XGEVA® sales increased 5% in the quarter ended September 30, 2013, compared with the quarter ended June 30, 2013, reflecting increased segment share. Global Prolia® sales decreased 5% during that same period, impacted by seasonality.

Other products

Other product sales by geographic region were as follows (dollar amounts in millions):

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	Change	2013	2012	Change
Sensipar® — U.S.	$183	$172	6 %	$540	$462	17 %
Sensipar®/Mimpara® — ROW	76	71	7 %	242	232	4 %
Vectibix® — U.S.	32	30	7 %	90	92	(2)%
Vectibix® — ROW	75	58	29 %	197	176	12 %
Nplate® — U.S.	58	53	9 %	175	157	11 %
Nplate® — ROW	48	38	26 %	132	110	20 %
Other — ROW	40	46	(13)%	173	88	97 %
Total other products	$512	$468	9 %	$1,549	$1,317	18 %
Total U.S. — other products	$273	$255	7 %	$805	$711	13 %
Total ROW — other products	239	213	12 %	744	606	23 %
Total other products	$512	$468	9 %	$1,549	$1,317	18 %

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Operating expenses

Operating expenses were as follows (dollar amounts in millions):

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	Change	2013	2012	Change
Cost of sales	$788	$775	2 %	$2,317	$2,277	2 %
% of product sales	17.0 %	18.4 %		17.3 %	18.5 %	
Research and development	$989	$880	12 %	$2,834	$2,442	16 %
% of product sales	21.3 %	20.9 %		21.2 %	19.9 %	
Selling, general and administrative	$1,249	$1,131	10 %	$3,663	$3,441	6 %
% of product sales	26.9 %	26.9 %		27.4 %	28.0 %	
Other	$34	$110	(69)%	$171	$195	(12)%

Cost of sales

Cost of sales decreased to 17.0% and 17.3% of product sales for the three and nine months ended September 30, 2013, respectively, driven by lower royalties and higher average net sales prices, offset partially by changes in product mix. The excise tax imposed by Puerto Rico on the gross intercompany purchase price of goods and services from our manufacturer in Puerto Rico also slightly contributed to the decreases as the tax rate declined from 4.0% in 2011 to 3.75% in 2012 and 2.75% in 2013. However, changes to the law have increased the rate effective July 1, 2013, back to 4.0%.

Excluding the impact of the excise tax, cost of sales would have been 15.0% and 15.4% of product sales for the three and nine months ended September 30, 2013, respectively, compared with 16.4% and 16.5% for the corresponding periods of the prior year.

See Note 3, Income taxes, to the condensed consolidated financial statements for further discussion of the Puerto Rico excise tax.

Research and development

The increase in R&D expenses for the three months ended September 30, 2013, was driven primarily by increased costs associated with supporting later-stage clinical programs of $133 million, particularly evolocumab and the $50 million upfront payment to Servier for the U.S. rights to ivabradine. These expenses were offset partially by reduced expenses associated with marketed product support of $24 million. Expenses related to Discovery Research and Translational Sciences activities were flat compared with the prior year.

The increase in R&D expenses for the nine months ended September 30, 2013, was driven primarily by increased costs associated with supporting later-stage clinical programs of $364 million, including evolocumab, and increases in Discovery Research and Translational Sciences activities of $65 million. These expenses were offset partially by reduced expenses associated with marketed product support of $37 million.

Selling, general and administrative

The increases in SG&A expenses for the three and nine months ended September 30, 2013, were driven by higher ENBREL profit share expenses of $46 million and $154 million, respectively; as well as $39 million and $88 million, respectively, related primarily to favorable changes to the estimated U.S. healthcare reform federal excise fee in the prior year.

Under our ENBREL collaboration agreement, we currently pay Pfizer a percentage of annual gross profits on our ENBREL sales in the United States and Canada attributable to all approved indications for ENBREL on a scale that increases as gross profits increase; however, we maintain a majority share of ENBREL profits. For the three and nine months ended September 30, 2013, expenses associated with the ENBREL profit share were $432 million and $1,235 million, respectively, compared with $386 million and $1,081 million for the corresponding periods of the prior year. After expiration of the co-promotion term on October 31, 2013, we will be required to pay Pfizer residual royalties on a declining percentage of net Enbrel sales in the United States and Canada of 12% through October 31, 2014, 11% through October 31, 2015 and 10% through October 31, 2016.

Other

Other operating expenses for the three and nine months ended September 30, 2013, included certain charges related to our cost savings initiatives, primarily severance, of $35 million and $46 million, respectively.

Based on analysis of the results from the phase 3 trial for talimogene laherparepvec in melanoma, which met its primary endpoint, there were increases in management's estimates of the probabilities of completing the BLA filing and receiving approval to market talimogene laherparepvec in specified patient populations in the United States and the EU. Due primarily to these changes in key assumptions, the estimated aggregate fair value of the contingent consideration obligations increased during the nine months ended September 30, 2013, by $111 million and was recorded in Other operating expenses.

Other operating expenses for the three and nine months ended September 30, 2012, included certain charges related to our cost savings initiatives of $36 million and $106 million, due primarily to lease abandonment expenses, and legal proceedings charges of $53 million and $65 million, respectively.

Non-operating expenses/income and income taxes

Non-operating expenses/income and income taxes were as follows (dollar amounts in millions):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Interest expense, net	$257	$271	$761	$762
Interest and other income, net	$72	$111	$332	$359
Provision for income taxes	$135	$156	$191	$529
Effective tax rate	9.0 %	12.4 %	4.5 %	12.9 %

Interest expense, net

The decrease in interest expense, net for the three months ended September 30, 2013, was due primarily to the settlement of the 0.375% 2013 Convertible Notes in February 2013, offset partially by financing fees paid in association with the acquisition of Onyx. Interest expense, net for the nine months ended September 30, 2013, was essentially flat as the decrease resulting from the settlement of our 0.375% 2013 Convertible Notes was offset by increases resulting from the higher average debt balance on other outstanding debt and financing fees paid in association with the acquisition of Onyx.

Interest and other income, net

The decrease in interest and other income, net for the three months ended September 30, 2013, was due primarily to higher net gains on sales of investments recognized in the prior year and lower portfolio investment returns. The decrease in interest and other income, net for the nine months ended September 30, 2013, was due primarily to higher net gains on sales of investments recognized in the prior year.

Income taxes

Our effective tax rates for the three and nine months ended September 30, 2013, were 9.0% and 4.5%, respectively, compared with 12.4% and 12.9% for the corresponding periods of the prior year. The decrease in our effective tax rate for the three months ended September 30, 2013, was due primarily to the current year reinstatement of the federal R&D tax credit and changes in the jurisdictional mix of income and expenses in 2013.

For the nine months ended September 30, 2013, the effective tax rate was reduced by two significant events that occurred during the three months ended March 31, 2013. First, the rate was reduced by the federal and state tax impacts of the settlement of our examination with the IRS related to years ended December 31, 2007, 2008 and 2009. The settlement resulted in a net tax benefit of approximately $185 million. Second, the rate was reduced by the reinstatement of the federal R&D tax credit for 2012 and 2013. The retroactive extension of the federal R&D tax credit for 2012 resulted in a net tax benefit of approximately $60 million.

Excluding the impact of the Puerto Rico excise tax, our effective tax rates for the three and nine months ended September 30, 2013, would have been 13.8% and 9.8%, respectively, compared with 17.7% and 18.3% for the corresponding periods of the prior year.

See Note 3, Income taxes, to the condensed consolidated financial statements for further discussion.

Financial condition, liquidity and capital resources
Selected financial data was as follows (in millions):

	September 30, 2013	December 31, 2012
Cash, cash equivalents and marketable securities	$22,558	$24,061
Receivable from sale of investments	560	—
Restricted investments	3,411	—
Total assets	57,073	54,298
Current portion of long-term debt	11	2,495
Long-term debt	27,178	24,034
Stockholders' equity	21,728	19,060

The Company intends to continue to return capital to stockholders through the payment of cash dividends, reflecting our confidence in the future cash flows of our business. Whether and when we declare dividends and the size of any dividend could be affected by a number of factors. (See our Annual Report on Form 10-K for the year ended December 31, 2012, Item 1A. Risk Factors—There can be no assurance that we will continue to declare cash dividends or repurchase stock.) In December 2012, March 2013 and July 2013, the Board of Directors declared quarterly cash dividends of $0.47 per share of common stock, which were paid on March 7, June 7 and September 6, 2013, respectively. On October 16, 2013, the Board of Directors declared a quarterly cash dividend of $0.47 per share of common stock, which will be paid on December 6, 2013. During the nine months ended September 30, 2013, we repurchased 9.1 million shares of our common stock at an aggregate cost of $771 million at an average price of $85.03 per share. As of September 30, 2013, $1.6 billion remained available under our stock repurchase program; however, we do not expect to make any significant repurchases of our common stock during the remainder of 2013, 2014 and 2015.

We entered into a Repurchase Agreement pursuant to which Amgen sold 34,097 Class A preferred shares of one of its wholly-owned subsidiaries, ATL Holdings, to a counterparty on September 30, 2013. Pursuant to the Repurchase Agreement, we are obligated to repurchase the Class A preferred shares from the counterparty on or before September 28, 2018, for the aggregate sale price of $3.1 billion. Under the Repurchase Agreement, which is accounted for as long-term debt, we are obligated to make payments to the counterparty based on the sale price of the outstanding preferred shares at a floating interest rate of LIBOR plus 1.1%.

On October 1, 2013, we borrowed $5.0 billion under a Term Loan Credit Facility which bears interest at a floating rate based on LIBOR plus additional interest, initially 1%, which can vary based on the credit ratings assigned to our long-term debt by S&P and Moody's. A portion of the principal amount of this debt is to be repaid at the end of each quarter equal to 2.5% of the original amount of the loan, or $125 million, with the balance due on October 1, 2018. This credit facility includes the same financial covenant as our revolving credit facility with respect to our level of borrowings in relation to our equity, as defined. For a discussion of the Repurchase Agreement and the Term Loan Credit Facility, see Note 7, Financing arrangements to the condensed consolidated financial statements.

The $8.1 billion of proceeds received under the Repurchase Agreement and the Term Loan Credit Facility and additional available cash was used to purchase Onyx on October 1, 2013. See Note 12, Subsequent event to the condensed consolidated financial statements.

In February 2013, our 0.375% 2013 Convertible Notes matured/converted, and accordingly, the $2.5 billion principal amount was settled in cash. We also elected to pay the note holders who converted their notes $99 million of cash for the excess conversion value, as allowed under the original terms of the notes, which was offset by our receipt of the same amount of cash from the counterparty to the related convertible note hedge. In addition, in May 2013, warrants to acquire 32 million shares of our common stock at an exercise price of $104.80 originally sold in connection with the issuance of the 0.375% 2013 Convertible Notes were exercised resulting in a net cash payment of $100 million. See Note 7, Financing arrangements, to the condensed consolidated financial statements for a discussion of these transactions.

We believe that existing funds, cash generated from operations and existing sources of and access to financing are adequate, for the foreseeable future, to satisfy: our needs for working capital; capital expenditure and debt service requirements; our plans to pay dividends; and other business initiatives we may strategically pursue, including

acquisitions and licensing activities. We anticipate that our liquidity needs can be met through a variety of sources, including cash provided by operating activities, sales of marketable securities, borrowings through commercial paper and/or syndicated credit facilities and access to other domestic and foreign debt markets and equity markets. With respect to our U.S. operations, we believe that existing funds intended for use in the United States; cash generated from our U.S. operations, including intercompany payments and receipts; and existing sources

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of and access to financing (collectively referred to as U.S. funds) are adequate to continue to meet our U.S. obligations (including our plans to pay dividends with U.S. funds) for the foreseeable future. See our Annual Report on Form 10-K for the year ended December 31, 2012, Item 1A. Risk Factors – Global economic conditions may negatively affect us and may magnify certain risks that affect our business.

A significant portion of our operating cash flows is dependent on the timing of payments from our customers located in the United States and, to a lesser extent, our customers outside the United States, which include government-owned or -supported healthcare providers (government healthcare providers). Payments from these government healthcare providers are dependent in part on the economic stability and creditworthiness of their applicable country. Historically, some payments from a number of European government healthcare providers have extended beyond the contractual terms of sale, and regional economic uncertainty continues. In particular, credit and economic conditions in Southern Europe, particularly in Spain, Italy, Greece and Portugal, continue to adversely impact the timing of collections of our trade receivables in this region. As of September 30, 2013, accounts receivable in these four countries totaled $453 million, of which $352 million was past due. Although economic conditions in this region may continue to affect the average length of time it takes to collect payments, to date we have not incurred any significant losses related to these receivables; and the timing of payments in these countries has not had nor is it currently expected to have a material adverse impact on our overall operating cash flows. However, if government funding for healthcare were to become unavailable in these countries or if significant adverse adjustments to past payment practices were to occur, we might not be able to collect the entire balance of these receivables. We will continue working closely with these customers, monitoring the economic situation and taking appropriate actions as necessary.

Of our total cash, cash equivalents, marketable securities, receivable from sale of investments and restricted investments balances totaling $26.5 billion as of September 30, 2013, approximately $20.0 billion was generated from operations in foreign tax jurisdictions and is intended to be invested indefinitely outside of the United States. Under current tax laws, if these funds were repatriated for use in our U.S. operations, we would be required to pay additional U.S. federal and state income taxes at the applicable marginal tax rates.

Certain of our financing arrangements contain non-financial covenants. In addition, our revolving credit agreement includes a financial covenant with respect to the level of our borrowings in relation to our equity, as defined. We were in compliance with all applicable covenants under these arrangements as of September 30, 2013.

Cash flows

Our cash flow activities were as follows (in millions):

	Nine months ended September 30,	
	2013	2012
Net cash provided by operating activities	$4,456	$5,070
Net cash provided by (used in) investing activities	1,649	(7,959)
Net cash (used in) provided by financing activities	(1,081)	1,766

Operating

Cash provided by operating activities has been and is expected to continue to be our primary recurring source of funds. Cash provided by operating activities during the nine months ended September 30, 2013, decreased due primarily to the receipt of $397 million of cash in the prior year period in connection with the termination of interest rate swap agreements and the timing of receipts from customers, including the impact of $197 million received under a government-funded program in Spain during the prior year period.

Investing

Cash provided by investing activities during the nine months ended September 30, 2013, was due primarily to net sales of marketable securities of $2.7 billion, offset partially by a restriction of investments of $526 million and capital expenditures of $492 million. Cash used in investing activities during the nine months ended September 30, 2012, was due primarily to net purchases of marketable securities of $5.4 billion, acquisitions of businesses, net of cash acquired of $2.0 billion and capital expenditures of $489 million. Capital expenditures during the nine months ended September 30, 2013 and 2012 were associated primarily with manufacturing capacity expansions in Ireland and Puerto Rico, as well as other site developments. We currently estimate 2013 spending on capital projects and equipment to be approximately $700 million.

Financing

Cash used in financing activities during the nine months ended September 30, 2013, was due primarily to the cash settlement of the $2.5 billion principal amount of the 0.375% 2013 Convertible Notes which matured/converted, repurchases of our common stock of $832 million and the payment of dividends of $1.1 billion, offset partially by the net proceeds from issuance of debt of $3.1 billion and net proceeds from issuance of common stock in connection with the Company's equity award programs of $268 million.

Cash provided by financing activities during the nine months ended September 30, 2012, was due primarily to the net proceeds from issuance of long-term debt of $4.9 billion and the net proceeds from issuance of common stock in connection with the Company's equity award programs of $1.1 billion, offset partially by repurchases of our common stock of $3.4 billion and the payment of dividends of $844 million.

See Note 7, Financing arrangements, and Note 8, Stockholders' equity, to the condensed consolidated financial statements for further discussion.

Critical accounting policies

The preparation of our condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the notes to the financial statements. Some of those judgments can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions or conditions. A summary of our critical accounting policies is presented in Part II, Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2012. There have been no material changes to our critical accounting policies during the nine months ended September 30, 2013.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information about our market risk is disclosed in Part II, Item 7A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and is incorporated herein by reference. Except as discussed below, there have been no material changes during the nine months ended September 30, 2013, to the information provided in Part II, Item 7A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Interest rate sensitive financial instruments

To achieve a desired mix of fixed and floating rate debt, we entered into interest rate swap contracts with aggregate notional amounts of $2.5 billion and $1.9 billion during the three months ended March 31, 2013 and June 30, 2013, respectively, for an aggregate notional amount of $4.4 billion in contracts outstanding as of September 30, 2013. These derivative contracts qualify and have been designated for accounting purposes as fair value hedges and effectively convert a fixed rate interest coupon to a floating rate LIBOR-based coupon over the remaining lives of the hedged notes. A hypothetical 100 basis point increase in interest rates relative to interest rates at September 30, 2013, would have resulted in a reduction in fair value of approximately $310 million on our interest rate swap contracts on this date and would not result in a material effect on the related income or cash flows in the ensuing year.

Item 4. CONTROLS AND PROCEDURES

We maintain "disclosure controls and procedures," as such term is defined under Exchange Act Rule 13a-15(e), that are designed to ensure that information required to be disclosed in Amgen's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to Amgen's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, Amgen's management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and, in reaching a reasonable level of assurance, Amgen's management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. We have carried out an evaluation under the supervision and with the participation of our management, including Amgen's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Amgen's disclosure controls and procedures. Based upon their evaluation and subject to the foregoing, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2013.

Management determined that, as of September 30, 2013, there were no changes in our internal control over financial reporting that occurred during the fiscal quarter then ended that have materially affected, or are reasonably likely to

materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

See Note 11, Contingencies and commitments, to the condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q for the periods ended September 30, 2013, June 30, 2013, and March 31, 2013, for discussions that are limited to certain recent developments concerning our legal proceedings. Those discussions should be read in conjunction with Note 18, Contingencies and commitments, to our consolidated financial statements in Part IV of our Annual Report on Form 10-K for the year ended December 31, 2012.

Item 1A. RISK FACTORS

This report and other documents we file with the SEC contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, our future performance, our business, our beliefs and our management's assumptions. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. You should carefully consider the risks and uncertainties facing our business. We have described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, the primary risks related to our business and periodically update those risks for material developments. Those risks are not the only ones facing us. Our business is also subject to the risks that affect many other companies, such as employment relations, general economic conditions, geopolitical events and international operations. Further, additional risks not currently known to us or that we currently believe are immaterial may in the future materially and adversely affect our business, operations, liquidity and stock price.

Below, we are providing, in supplemental form, the material changes to our risk factors that occurred during the past quarter. Our risk factors disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, provide additional disclosure and context for these supplemental risks and are incorporated herein by reference.

Our efforts to acquire other companies or products and to integrate their operations may not be successful, and may result in costs, delays or failures to realize the benefits of the transactions.

We have an ongoing process of evaluating potential merger, acquisition, partnering and in-license opportunities that we expect will contribute to our future growth and expand our geographic footprint, product offerings and/or our R&D pipeline. For example, on October 1, 2013, we acquired Onyx, a biopharmaceutical company with several currently marketed products as well as pipeline candidates going through the development process. Acquisitions may result in unanticipated costs, delays or other operational or financial problems related to integrating the acquired company and business with our company, which may result in the diversion of our management's attention from other business issues and opportunities. Failures or difficulties in integrating the operations of the businesses that we acquire, including their personnel, technology, compliance programs, financial systems, distribution and general business operations and procedures, while preserving important R&D, distribution, marketing, promotion and other relationships, may affect our ability to grow and may result in our incurring asset impairment or restructuring charges.

Item 5. OTHER INFORMATION

As previously disclosed, on August 24, 2013, the Company entered into a Repurchase Agreement with Bank of America, N.A. (BANA), pursuant to which the Company subsequently sold to BANA 34,097 shares of Class A Preferred Stock (the Purchased Securities) of its wholly owned subsidiary ATL Holdings for an aggregate purchase price of $3.1 billion in cash. Under the Repurchase Agreement, the Company is obligated to repurchase from BANA, and BANA is obligated to resell to the Company, the Purchased Securities on the repurchase date, which is scheduled to be the date occurring five years after the initial sale of the Purchased Securities, for an aggregate repurchase price equal to the aggregate purchase price paid by BANA for such Purchased Securities (plus any accrued and unpaid interest equivalent). In connection with the Repurchase Agreement, the Company entered into an ancillary agreement (the Ancillary Agreement) with BANA, which contains a number of representations and covenants of the Company, including agreements by the Company intended to maintain the status of ATL Holdings as an entity distinct from the Company and its other subsidiaries. The material terms of the Repurchase Agreement and the Ancillary Agreement were disclosed in the Company's current report on Form 8-K filed on August 26, 2013 (the August 26th 8-K).

On October 28, 2013, BANA transferred by novation to SMBC Repo Pass-Thru Trust 2013-1, an affiliate of Sumitomo Mitsui Banking Corporation, (SMBC) all of its rights and obligations under the Repurchase Agreement and the Ancillary Agreement related to the portion of the Purchased Securities represented by 10,230 shares of Class A

Preferred Stock of ATL Holdings (the SMBC Novated Purchased Securities). To effect the novation, the Company entered into a novation agreement (the SMBC Novation Agreement) with BANA and SMBC, and a new master repurchase agreement (the SMBC Repo Agreement) and a new ancillary agreement (the SMBC Ancillary Agreement) with SMBC related to the SMBC Novated Purchased Securities and otherwise on terms substantially identical to the Repurchase Agreement and Ancillary Agreement, respectively. BANA transferred the SMBC Novated Purchased Securities to SMBC as part of the novation.

On October 29, 2013, BANA transferred by novation to HSBC Bank USA, N.A. (HSBC) all of its rights and obligations under the Repurchase Agreement and the Ancillary Agreement related to the portion of the Purchased Securities represented by 6,660 shares of Class A Preferred Stock of ATL Holdings (the HSBC Novated Purchased Securities). To effect the novation, the Company entered into a novation agreement (the HSBC Novation Agreement) with BANA and HSBC, and a new master repurchase agreement (the HSBC Repo Agreement) and a new ancillary agreement (the HSBC Ancillary Agreement) with HSBC related to the HSBC Novated Purchased Securities and otherwise on terms substantially identical to the Repurchase Agreement and Ancillary Agreement, respectively. BANA transferred the HSBC Novated Purchased Securities to HSBC as part of the novation.

The foregoing summaries of the SMBC Novation Agreement, the SMBC Repo Agreement, the SMBC Ancillary Agreement, the HSBC Novation Agreement, the HSBC Repo Agreement and the HSBC Ancillary Agreement do not purport to be complete and are subject to, and qualified in their entirety by, the full text of the agreements. The SMBC Repo Agreement and the HSBC Repo Agreement are filed herewith as Exhibits 10.61 and 10.62, respectively, which are incorporated herein by reference. The material terms of the SMBC Novation Agreement and the HSBC Novation Agreement are substantially the same as the form of novation agreement included as an exhibit to the Repurchase Agreement, and the material terms of the SMBC Ancillary Agreement and the HSBC Ancillary Agreement are substantially the same as the form of ancillary agreement included as an exhibit to the Repurchase Agreement. The Repurchase Agreement was filed as an exhibit to the August 26th 8-K and is incorporated herein by reference.

Item 6. EXHIBITS

Reference is made to the Index to Exhibits included herein.

SIGNATURES

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

	Amgen Inc. (Registrant)	
Date: October 29, 2013	By:	/s/ Jonathan M. Peacock Jonathan M. Peacock Executive Vice President and Chief Financial Officer

AMGEN INC.

INDEX TO EXHIBITS

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of August 24, 2013, by and among Onyx Pharmaceuticals, Inc., Amgen Inc. and Arena Acquisition Company. (Filed as an exhibit to Form 8-K on August 26, 2013 and incorporated herein by reference.)
3.1	Restated Certificate of Incorporation of Amgen Inc. (As Restated March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
3.2	Amended and Restated Bylaws of Amgen Inc. (As Amended and Restated March 6, 2013). (Filed as an exhibit to Form 8-K on March 6, 2013 and incorporated herein by reference.)
3.3	First Amendment to the Amended and Restated Bylaws of Amgen Inc. (As Amended and Restated March 6, 2013). (Filed as an exhibit to Form 8-K on October 16, 2013 and incorporated herein by reference.)
4.1	Form of stock certificate for the common stock, par value $.0001 of the Company. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 1997 on May 13, 1997 and incorporated herein by reference.)
4.2	Form of Indenture, dated January 1, 1992. (Filed as an exhibit to Form S-3 Registration Statement filed on December 19, 1991 and incorporated herein by reference.)
4.3	Agreement of Resignation, Appointment and Acceptance dated February 15, 2008. (Filed as an exhibit to Form 10-K for the year ended December 31, 2007 on February 28, 2008 and incorporated herein by reference.)
4.4	First Supplemental Indenture, dated February 26, 1997. (Filed as an exhibit to Form 8-K on March 14, 1997 and incorporated herein by reference.)
4.5	8-1/8% Debentures due April 1, 2097. (Filed as an exhibit to Form 8-K on April 8, 1997 and incorporated herein by reference.)
4.6	Officer's Certificate, dated as of January 1, 1992, as supplemented by the First Supplemental Indenture, dated as of February 26, 1997, establishing a series of securities entitled "8 1/8% Debentures due April 1, 2097." (Filed as an exhibit to Form 8-K on April 8, 1997 and incorporated herein by reference.)
4.7	Indenture, dated as of August 4, 2003. (Filed as an exhibit to Form S-3 Registration Statement on August 4, 2003 and incorporated herein by reference.)
4.8	Officers' Certificate, dated November 18, 2004, including forms of the 4.00% Senior Notes due 2009 and 4.85% Senior Notes due 2014. (Filed as an exhibit to Form 8-K on November 19, 2004 and incorporated herein by reference.)
4.9	Corporate Commercial Paper - Master Note between and among Amgen Inc., as Issuer, Cede & Co., as Nominee of The Depository Trust Company, and Citibank, N.A., as Paying Agent. (Filed as an exhibit

	to Form 10-Q for the quarter ended March 31, 1998 on May 13, 1998 and incorporated herein by reference.)
4.10	Officers' Certificate of Amgen Inc., dated as of May 30, 2007, including forms of the Company's Senior Floating Rate Notes due 2008, 5.85% Senior Notes due 2017 and 6.375% Senior Notes due 2037. (Filed as an exhibit to Form 8-K on May 30, 2007 and incorporated herein by reference.)
4.11	Officers' Certificate of Amgen Inc., dated as of May 23, 2008, including forms of the Company's 6.15% Senior Notes due 2018 and 6.90% Senior Notes due 2038. (Filed as exhibit to Form 8-K on May 23, 2009 and incorporated herein by reference.)
4.12	Officers' Certificate of Amgen Inc., dated as of January 16, 2009, including forms of the Company's 5.70% Senior Notes due 2019 and 6.40% Senior Notes due 2039. (Filed as exhibit to Form 8-K on January 16, 2009 and incorporated herein by reference.)
4.13	Officers' Certificate of Amgen Inc., dated as of March 12, 2010, including forms of the Company's 4.50% Senior Notes due 2020 and 5.75% Senior Notes due 2040. (Filed as exhibit to Form 8-K on March 15, 2010 and incorporated herein by reference.)
4.14	Officers' Certificate of Amgen Inc., dated as of September 16, 2010, including forms of the Company's 3.45% Senior Notes due 2020 and 4.95% Senior Notes due 2041. (Filed as an exhibit to Form 8-K on September 17, 2010 and incorporated herein by reference.)

Exhibit No.	Description
4.15	Officers' Certificate of Amgen Inc., dated as of June 30, 2011, including forms of the Company's 2.30% Senior Notes due 2016, 4.10% Senior Notes due 2021 and 5.65% Senior Notes due 2042. (Filed as an exhibit to Form 8-K on June 30, 2011 and incorporated herein by reference.)
4.16	Officers' Certificate of Amgen Inc., dated as of November 10, 2011, including forms of the Company's 1.875% Senior Notes due 2014, 2.50% Senior Notes due 2016, 3.875% Senior Notes due 2021 and 5.15% Senior Notes due 2041. (Filed as an exhibit to Form 8-K on November 10, 2011 and incorporated herein by reference.)
4.17	Officers' Certificate of Amgen Inc., dated as of December 5, 2011, including forms of the Company's 4.375% Senior Notes due 2018 and 5.50% Senior Notes due 2026. (Filed as an exhibit to Form 8-K on December 5, 2011 and incorporated herein by reference.)
4.18	Officers' Certificate of Amgen Inc., dated as of May 15, 2012, including forms of the Company's 2.125% Senior Notes due 2017, 3.625% Senior Notes due 2022 and 5.375% Senior Notes due 2043. (Filed as an exhibit to Form 8-K on May 15, 2012 and incorporated herein by reference.)
4.19	Officers' Certificate of Amgen Inc., dated as of September 13, 2012, including forms of the Company's 2.125% Senior Notes due 2019 and 4.000% Senior Notes due 2029. (Filed as an exhibit to Form 8-K on September 13, 2012 and incorporated herein by reference.)
10.1+	Amgen Inc. Amended and Restated 2009 Equity Incentive Plan. (Filed as Appendix C to the Definitive Proxy Statement on Schedule 14A on April 8, 2013 and incorporated herein by reference.)
10.2+	Form of Stock Option Agreement for the Amgen Inc. 2009 Equity Incentive Plan. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.3+	Form of Restricted Stock Unit Agreement for the Amgen Inc. 2009 Equity Incentive Plan. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.4+	Amgen Inc. 2009 Performance Award Program. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.5+	Form of Performance Unit Agreement for the Amgen Inc. 2009 Performance Award Program. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.6+	Amgen Inc. 2009 Director Equity Incentive Program. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.7+	Form of Grant of Non-Qualified Stock Option Agreement for the Amgen Inc. 2009 Director Equity Incentive Program. (Filed as an exhibit to Form 8-K on May 8, 2009 and incorporated herein by reference.)
10.8+	

	Form of Restricted Stock Unit Agreement for the Amgen Inc. 2009 Director Equity Incentive Program. (As Amended on March 6, 2013.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.9+	Amgen Inc. Supplemental Retirement Plan. (As Amended and Restated effective January 1, 2009.) (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2008 on November 7, 2008 and incorporated herein by reference.)
10.10+	First Amendment to the Amgen Inc. Supplemental Retirement Plan, effective April 11, 2011. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2011 on August 8, 2011 and incorporated herein by reference.)
10.11+	Second Amendment to the Amgen Inc. Supplemental Retirement Plan, effective October 12, 2011. (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 on February 29, 2012 and incorporated herein by reference.)
10.12+	Third Amendment to the Amgen Inc. Supplemental Retirement Plan, effective January 1, 2012. (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 on February 29, 2012 and incorporated herein by reference.)
10.13+	Fourth Amendment to the Amgen Inc. Supplemental Retirement Plan, effective June 18, 2012. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2012 on August 8, 2012 and incorporated herein by reference.)
10.14+	Fifth Amendment to the Amgen Inc. Supplemental Retirement Plan, effective August 27, 2012. (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2012 on November 6, 2012 and incorporated herein by reference.)

Exhibit No.	Description
10.15+	Amended and Restated Amgen Change of Control Severance Plan. (As Amended and Restated effective December 9, 2010 and subsequently amended effective March 2, 2011.) (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2011 on May 10, 2011 and incorporated herein by reference.)
10.16+	Amgen Inc. Executive Incentive Plan. (As Amended and Restated effective January 1, 2009.) (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2008 on November 7, 2008 and incorporated herein by reference.)
10.17+	First Amendment to the Amgen Inc. Executive Incentive Plan, effective December 13, 2012. (Filed as an exhibit to Form 10-K for the year ended December 31, 2012 on February 27, 2013 and incorporated herein by reference.)
10.18+	Amgen Inc. Executive Nonqualified Retirement Plan. (As Amended and Restated effective January 1, 2009.) (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2008 on November 7, 2008 and incorporated herein by reference.)
10.19+	First Amendment to the Amgen Inc. Executive Nonqualified Retirement Plan, effective July 21, 2010. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2010 on August 9, 2010 and incorporated herein by reference.)
10.20+	Amgen Nonqualified Deferred Compensation Plan. (As Amended and Restated effective January 1, 2009.) (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2008 on November 7, 2008 and incorporated herein by reference.)
10.21+	First Amendment to the Amgen Nonqualified Deferred Compensation Plan, effective April 11, 2011. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2011 on August 8, 2011 and incorporated herein by reference.)
10.22+	Second Amendment to the Amgen Nonqualified Deferred Compensation Plan, effective October 12, 2011. (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 on February 29, 2012 and incorporated herein by reference.)
10.23+	Third Amendment to the Amgen Nonqualified Deferred Compensation Plan, effective June 18, 2012. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2012 on August 8, 2012 and incorporated herein by reference.)
10.24+	Fourth Amendment to the Amgen Nonqualified Deferred Compensation Plan, effective August 27, 2012. (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2012 on November 6, 2012 and incorporated herein by reference.)
10.25+	Agreement between Amgen Inc. and Mr. Jonathan M. Peacock, dated July 5, 2010. (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2010 on November 8, 2010 and incorporated herein by reference.)
10.26+	Agreement between Amgen Inc. and Mr. Anthony C. Hooper, dated October 12, 2011. (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 on February 29, 2012 and incorporated herein by reference.)

10.27+	Consulting Services Agreement, entered into as of January 25, 2013, by and between Amgen Inc. and Fabrizio Bonanni. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.28+	Restricted Stock Unit Agreement, dated April 27, 2012, between Amgen Inc. and Kevin W. Sharer. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2012 on August 8, 2012 and incorporated herein by reference.)
10.29+	Performance Unit Agreement, dated April 27, 2012, between Amgen Inc. and Kevin W. Sharer. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2012 on August 8, 2012 and incorporated herein by reference.)
10.30	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated, September 30, 1985 between Amgen and Ortho Pharmaceutical Corporation. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2000 on August 1, 2000 and incorporated herein by reference.)
10.31	Shareholders' Agreement, dated May 11, 1984, among Amgen, Kirin Brewery Company, Limited and Kirin-Amgen, Inc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.32	Amendment No. 1 dated March 19, 1985, Amendment No. 2 dated July 29, 1985 (effective July 1, 1985), and Amendment No. 3, dated December 19, 1985, to the Shareholders' Agreement dated May 11, 1984. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2000 on August 1, 2000 and incorporated herein by reference.)

Exhibit No.	Description
10.33	Amendment No. 4 dated October 16, 1986 (effective July 1, 1986), Amendment No. 5 dated December 6, 1986 (effective July 1, 1986), Amendment No. 6 dated June 1, 1987, Amendment No. 7 dated July 17, 1987 (effective April 1, 1987), Amendment No. 8 dated May 28, 1993 (effective November 13, 1990), Amendment No. 9 dated December 9, 1994 (effective June 14, 1994), Amendment No. 10 effective March 1, 1996, and Amendment No. 11 effective March 20, 2000 to the Shareholders' Agreement, dated May 11, 1984. (Filed as exhibits to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.34	Amendment No. 12 to the Shareholders' Agreement, dated January 31, 2001. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2005 on August 8, 2005 and incorporated herein by reference.)
10.35	Amendment No. 13 to the Shareholders' Agreement, dated June 28, 2007 (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2007 on August 9, 2007 and incorporated herein by reference.)
10.36	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated September 30, 1985, between Kirin-Amgen, Inc. and Ortho Pharmaceutical Corporation. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2000 on August 1, 2000 and incorporated herein by reference.)
10.37	Research, Development Technology Disclosure and License Agreement: PPO, dated January 20, 1986, by and between Kirin Brewery Co., Ltd. and Amgen Inc. (Filed as an exhibit to Amendment No. 1 to Form S-1 Registration Statement on March 11, 1986 and incorporated herein by reference.)
10.38	Assignment and License Agreement, dated October 16, 1986 (effective July 1, 1986), between Amgen and Kirin-Amgen, Inc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.39	G-CSF United States License Agreement, dated June 1, 1987 (effective July 1, 1986), Amendment No. 1, dated October 20, 1988, and Amendment No. 2, dated October 17, 1991 (effective November 13, 1990), between Kirin-Amgen, Inc. and Amgen Inc. (Filed as exhibits to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.40	G-CSF European License Agreement, dated December 30, 1986, between Kirin-Amgen and Amgen, Amendment No. 1 to Kirin-Amgen, Inc. / Amgen G-CSF European License Agreement, dated June 1, 1987, Amendment No. 2 to Kirin-Amgen, Inc. / Amgen G-CSF European License Agreement, dated March 15, 1998, Amendment No. 3 to Kirin-Amgen, Inc. / Amgen G-CSF European License Agreement, dated October 20, 1988, and Amendment No. 4 to Kirin-Amgen, Inc. / Amgen G-CSF European License Agreement, dated December 29, 1989, between Kirin-Amgen, Inc. and Amgen Inc. (Filed as exhibits to Form 10-K for the year ended December 31, 2000 on March 7, 2001 and incorporated herein by reference.)
10.41	Amended and Restated Promotion Agreement, dated as of December 16, 2001, by and among Immunex Corporation, American Home Products Corporation and Amgen Inc. (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Amendment No. 1 to Form S-4 Registration Statement on March 22, 2002 and incorporated herein by reference.)
10.42	

	Description of Amendment No. 1 to Amended and Restated Promotion Agreement, effective as of July 8, 2003, among Wyeth, Amgen Inc. and Immunex Corporation (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-K for the year ended December 31, 2003 on March 11, 2004 and incorporated herein by reference.)
10.43	Description of Amendment No. 2 to Amended and Restated Promotion Agreement, effective as of April 20, 2004, by and among Wyeth, Amgen Inc. and Immunex Corporation. (Filed as an exhibit to Amendment No. 1 to Form S-4 Registration Statement on June 29, 2004 and incorporated herein by reference.)
10.44	Amendment No. 3 to Amended and Restated Promotion Agreement, effective as of January 1, 2005, by and among Wyeth, Amgen Inc. and Immunex Corporation (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2005 on May 4, 2005 and incorporated herein by reference.)
10.45	Credit Agreement, dated as of December 2, 2011, among Amgen Inc., with Citibank, N.A., as administrative agent, JPMorgan Chase Bank, N.A., as syndication agent, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC as joint lead arrangers and joint book runners, and the other banks party thereto. (Filed as an exhibit to Form 8-K on December 2, 2011 and incorporated herein by reference.)
10.46	Collaboration and License Agreement between Amgen Inc. and Celltech R&D Limited dated May 10, 2002 (portions of the exhibit have been omitted pursuant to a request for confidential treatment) and Amendment No. 1, effective as of June 9, 2003, to Collaboration and License Agreement between Amgen Inc. and Celltech R&D Limited (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-K/A for the year ended December 31, 2012 on July 31, 2013 and incorporated herein by reference.)

Exhibit No.	Description
10.47	Integrated Facilities Management Services Agreement, dated February 4, 2009, between Amgen Inc. and Jones Lang LaSalle Americas, Inc. (portions of the exhibit have been omitted pursuant to a request for confidential treatment) (Previously filed as an exhibit to Form 10-K for the year ended December 31, 2008 on February 27, 2009.), as amended by Amendment Number 1 dated March 31, 2010 (portions of the exhibit have been omitted pursuant to a request for confidential treatment), Amendment Number 2 dated May 12, 2011 (as corrected by the Letter Agreement) (portions of the exhibit have been omitted pursuant to a request for confidential treatment), and Letter Agreement dated July 19, 2011. (Filed as an exhibit to Form 10-Q for the quarter ended June 30, 2011 on August 8, 2011 and incorporated herein by reference.)
10.48	Amendment Number 3, dated July 1, 2011, to the Integrated Facilities Management Services Agreement, dated February 4, 2009, between Amgen Inc. and Jones Lang LaSalle Americas, Inc. (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2011 on November 4, 2011 and incorporated herein by reference.)
10.49	Amendment Number 4, dated March 20, 2013, to the Integrated Facilities Management Services Agreement, dated February 4, 2009, between Amgen Inc. and Jones Lang LaSalle Americas, Inc. (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2013 on May 3, 2013 and incorporated herein by reference.)
10.50*	Amendment Number 5, entered into as of September 1, 2013, to the Integrated Facilities Management Services Agreement, dated February 4, 2009, between Amgen Inc. and Jones Lang LaSalle Americas, Inc.
10.51	Collaboration Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2009 on November 6, 2009 and incorporated herein by reference.)
10.52	Amendment Number 1, dated as of January 24, 2012, to Collaboration Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2012 on February 27, 2013 and incorporated herein by reference.)
10.53	Expansion Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2009 on November 6, 2009 and incorporated herein by reference.)
10.54	Amendment Number 1, dated September 20, 2010, to Expansion Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended September 30, 2010 on November 8, 2010 and incorporated herein by reference.)
10.55	Amendment Number 2, dated as of January 24, 2012, to Expansion Agreement dated July 27, 2009 between Amgen Inc. and Glaxo Group Limited, a wholly owned subsidiary of GlaxoSmithKline plc. (Filed as an exhibit to Form 10-K for the year ended December 31, 2012 on February 27, 2013 and incorporated herein by reference.)

10.56	Sourcing and Supply Agreement, dated November 15, 2011, by and between Amgen USA Inc, a wholly owned subsidiary of Amgen Inc., and DaVita Inc. (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-K for the year ended December 31, 2011 on February 29, 2012 and incorporated herein by reference.)
10.57	Amendment Number 1 to Sourcing and Supply Agreement, effective as of January 1, 2013, by and between Amgen USA Inc., a wholly owned subsidiary of Amgen Inc., and DaVita Healthcare Partners Inc. f/k/a DaVita Inc. (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-K for the year ended December 31, 2012 on February 27, 2013 and incorporated herein by reference.)
10.58	Collaboration Agreement dated March 30, 2012 by and between Amgen Inc. and AstraZeneca Collaboration Ventures, LLC, a wholly owned subsidiary of AstraZeneca Pharmaceuticals LP (portions of the exhibit have been omitted pursuant to a request for confidential treatment). (Filed as an exhibit to Form 10-Q for the quarter ended March 31, 2012 on May 8, 2012 and incorporated herein by reference.)
10.59	Commitment Letter, dated August 24, 2013, among Amgen Inc., Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., J.P. Morgan Securities LLC and Barclays Bank PLC. (Filed as an exhibit to Form 8-K on August 26, 2013 and incorporated herein by reference.)
10.60	Master Repurchase Agreement, dated August 24, 2013, between Amgen Inc. and Bank of America, N.A. (Filed as an exhibit to Form 8-K on August 26, 2013 and incorporated herein by reference.)
10.61*	Master Repurchase Agreement, dated October 28, 2013, between Amgen Inc. and SMBC Repo Pass-Thru Trust, 2013-1.

Exhibit No.	Description
10.62*	Master Repurchase Agreement, dated October 29, 2013, between Amgen Inc. and HSBC Bank USA, N.A.
10.63	Term Loan Facility Credit Agreement, dated as of September 20, 2013, among Amgen Inc., the Banks therein named, Bank of America, N.A., as Administrative Agent, and Barclays Bank PLC and JP Morgan Chase Bank, N.A., as Syndication Agents. (Filed as an exhibit to Form 8-K on September 20, 2013 and incorporated herein by reference.)
31*	Rule 13a-14(a) Certifications.
32**	Section 1350 Certifications.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

(* = filed herewith)
(** = furnished herewith and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended)
(+ = management contract or compensatory plan or arrangement)