



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company AMGEN, INC. Date 12/23/05

Prepared by MG Data taken from NAIC Data

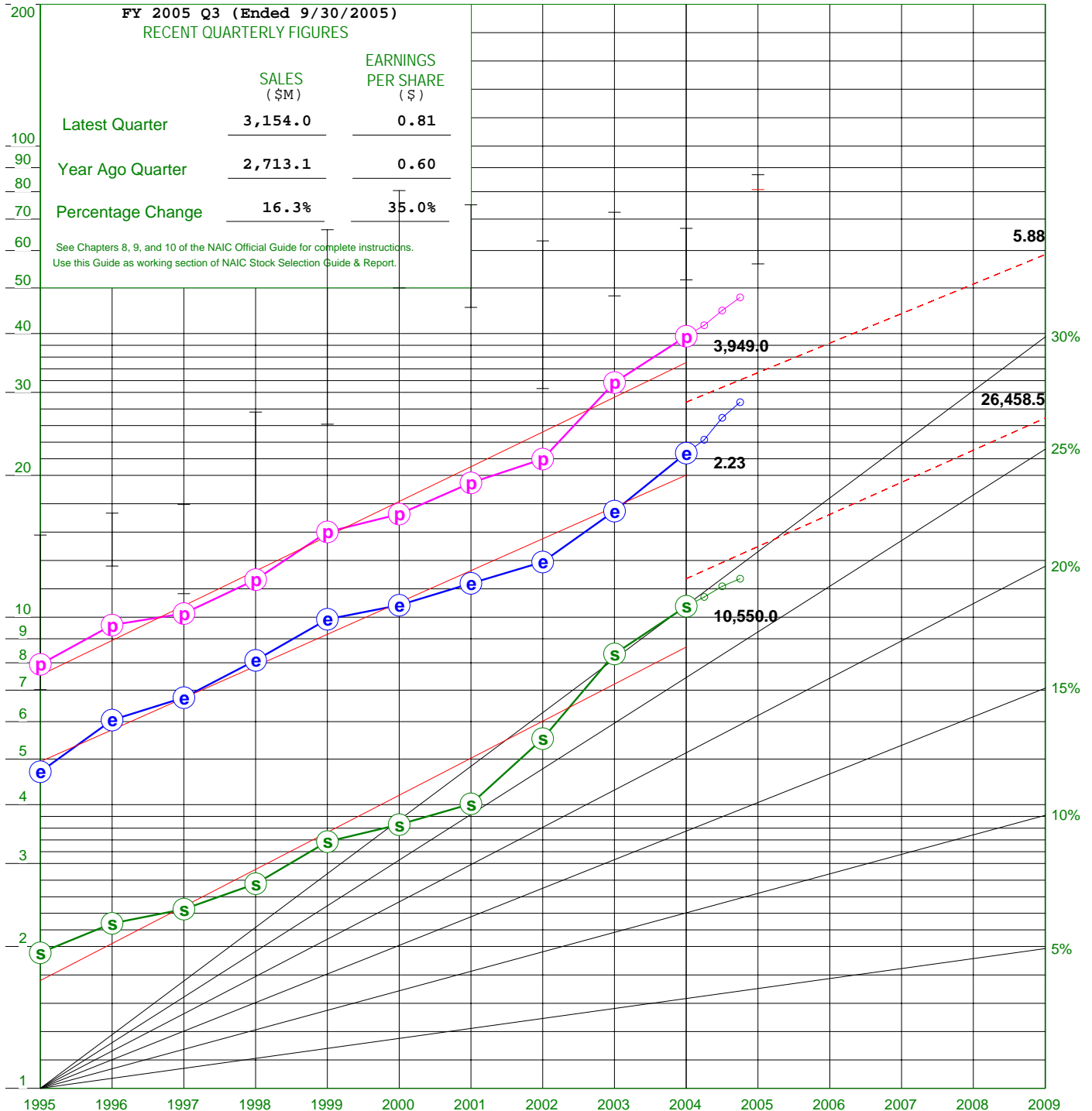
Where traded NASDAQ Major product/service Biotechnology

CAPITALIZATION --- Outstanding Amounts Reference _____

Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	1,234.0	9.7	72.8
Debt (\$M)	3,952.0	% to Tot.Cap.	17.0
		% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

AMGN



- (1) Historical Sales Growth 19.8 % (3) Historical Earnings Per Share Growth 16.8 %
 (2) Estimated Future Sales Growth 17.0 % (4) Estimated Future Earnings Per Share Growth 15.5 %

2 EVALUATING MANAGEMENT

Company **AMGEN, INC.**

(AMGN)

12/23/05

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	LAST 5 YEAR AVG.	TREND	
													UP	DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	41.0	43.0	42.4	44.2	45.4	45.6	48.0	39.2	37.7	37.4	41.6		DOWN
B	% Earned on Equity (E/S ÷ Book Value)	29.9	31.0	32.6	32.2	33.3	25.5	23.7	9.2	11.1	14.3	16.8		DOWN

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE		80.870		HIGH THIS YEAR		86.920		LOW THIS YEAR		56.190	
Year		PRICE		C Earnings Per Share	D Price Earnings Ratio		E Dividend Per Share	F % Payout F ÷ C X 100	G % High Yield F ÷ B X 100	H			
		HIGH	LOW		A ÷ C	B ÷ C							
1	2000	80.4	50.0	1.06	75.8	47.2	0.000	0.0	0.0				
2	2001	75.1	45.4	1.18	63.6	38.5	0.000	0.0	0.0				
3	2002	62.9	30.6	1.31	48.0	23.4	0.000	0.0	0.0				
4	2003	72.4	48.1	1.68	43.1	28.6	0.000	0.0	0.0				
5	2004	66.9	52.0	2.23	30.0	23.3	0.000	0.0	0.0				
6	TOTAL		226.1		121.1	75.3		0.0					
7	AVERAGE		45.2		40.4	25.1		0.0					
8	AVERAGE PRICE EARNINGS RATIO				32.8		9	CURRENT PRICE EARNINGS RATIO				28.3	

4 EVALUATING RISK AND REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~40.4~~ 28.0 X Estimate High Earnings/Share 5.88 = Forecast High Price \$ 164.6 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~25.1~~ 18.0 X Estimated Low Earnings/Share ~~2.23~~ 2.86 = \$ 51.5 (3E7 as adj.)
 (b) Avg. Low Price of Last 5 Years = 45.2 (3B7)
 (c) Recent Severe Market Low Price = 48.1
 (d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}} = \frac{0.000}{0.000} = 0.0$
 Selected Estimate Low Price = 51.5 (4B1)

C ZONING

164.6 (4A1) High Forecast Price Minus 51.5 (4B1) Low Forecast Price Equals 113.1 (C) Range. 1/3 of Range = 28.3 (4CD)
 (4C2) Lower 1/3 = 51.5 (4B1) to 79.8 (Buy) Note: Ranges changed to 25%/50%/25%
 (4C3) Middle 1/3 = 79.8 to 136.3 (Maybe)
 (4C4) Upper 1/3 = 136.3 to 164.6 (4A1) (Sell)

Present Market Price of 80.870 is in the Hold (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 164.6 Minus Present Price 80.870
 Present Price 80.870 Minus Low Price (4B1) 51.5 = $\frac{83.7}{29.4} = \frac{2.9}{1}$ To 1 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 164.6
 Present Market Price 80.870 = (2.035) X 100 = (203.5) - 100 = 103.5 % Appreciation (4E)

Relative Value: 86.3% Proj. Relative Value: 74.6%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate: use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 0.000
 Present Price of Stock \$ 80.870 = $\frac{0.000}{80.870} \times 100 = \frac{0.0}{(5A)}$ Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS
 Avg. Earnings Per Share Next 5 Years 4.41 X Avg. % Payout (3G7) 0.0 = 0.0 = 0.0 % (5B)
 Present Price \$ 80.870

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

	5 Year Appreciation Potential (4E)		P.A.R.	Tot. Ret.
	<u>103.5</u>			
Average Yield (5B)	<u>20.7</u> %	Average Yield	<u>0.0</u> %	<u>0.0</u> %
Average Total Annual Return Over the Next 5 Years (5C)	<u>0.0</u> %	Annual Appreciation	<u>10.8</u> %	<u>15.3</u> %
	<u>20.7</u> %	% Compd Ann Rate of Ret	<u>10.8</u> %	<u>15.3</u> %

AMGEN NDQ-AMGN

RECENT PRICE **76.78** P/E RATIO **23.9** (Trailing: 27.6; Median: 31.0) RELATIVE P/E RATIO **1.29** DIV'D YLD **Nil** **VALUE LINE**

TIMELINESS 1 Raised 9/3/04	High: 7.5	14.9	16.6	17.3	27.3	66.4	80.4	75.1	62.9	72.4	66.9	86.9							Target Price Range																																							
SAFETY 2 Raised 6/25/04	Low: 4.3	7.0	12.8	11.2	11.7	25.5	50.0	45.4	30.6	48.1	52.0	56.2							2008 2009 2010																																							
TECHNICAL 2 Raised 12/16/05	LEGENDS — 18.0 x "Cash Flow" p sh ... Relative Price Strength 2-for-1 split 8/95 2-for-1 split 3/99 2-for-1 split 11/99 Options: Yes Shaded area indicates recession																																																									
BETA 1.00 (1.00 = Market)	2008-10 PROJECTIONS Ann'l Total Price Gain Return High 145 (+90%) 17% Low 105 (+35%) 8%																																																									
Insider Decisions <table border="1"> <tr><th></th><th>J</th><th>F</th><th>M</th><th>A</th><th>M</th><th>J</th><th>J</th><th>A</th><th>S</th></tr> <tr><td>to Buy</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Options</td><td>3</td><td>2</td><td>1</td><td>2</td><td>2</td><td>0</td><td>5</td><td>4</td><td>0</td></tr> <tr><td>to Sell</td><td>1</td><td>4</td><td>3</td><td>1</td><td>3</td><td>0</td><td>5</td><td>3</td><td>0</td></tr> </table>																				J	F	M	A	M	J	J	A	S	to Buy	0	0	0	0	0	0	0	0	0	Options	3	2	1	2	2	0	5	4	0	to Sell	1	4	3	1	3	0	5	3	0
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1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% TOT. RETURN 11/05	THIS STOCK	VL ARITH. INDEX
.23	.38	.65	1.00	1.28	1.56	1.83	2.10	2.30	2.67	3.28	3.50	3.84	4.28	6.53	8.37	10.15	11.90	Sales per sh ^A	34.8	10.4
.04	.10	.20	.31	.38	.48	.59	.73	.82	.99	1.22	1.30	1.48	1.59	2.30	2.87	3.80	4.45	"Cash Flow" per sh	71.5	74.6
.02	.08	.16	.26	.31	.39	.48	.60	.69	.82	.99	1.05	1.18	1.39	1.69	2.19	2.95	3.50	Earnings per sh ^{B F}	27.2	81.1
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh		
.05	.06	.11	.20	.20	.12	.15	.25	.38	.40	.30	.42	.42	.51	1.06	1.06	.90	.95	Cap'l Spending per sh		
.22	.39	.50	.86	1.09	1.20	1.57	1.80	2.07	2.52	2.97	4.16	4.99	14.19	15.15	15.64	16.40	18.25	Book Value per sh ^C		
836.81	1013.3	1054.9	1090.6	1073.7	1058.6	1062.8	1058.8	1033.2	1018.4	1017.9	1037.4	1045.8	1289.1	1280.1	1260.0	1215.0	1185.0	Common Shs Outst'g ^D		
43.0	28.3	35.8	31.1	17.1	15.5	21.2	24.4	20.4	20.6	37.3	62.5	52.9	35.7	36.4	26.5			Avg Ann'l P/E Ratio		
3.25	2.10	2.29	1.89	1.01	1.02	1.42	1.53	1.18	1.07	2.13	4.06	2.71	1.95	2.08	1.41			Relative P/E Ratio		
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield		

CAPITAL STRUCTURE as of 9/30/05 Total Debt \$3952.0 mill. Due in 5 Yrs \$3900 mill. LT Debt \$2198.0 mill. LT Interest \$122.5 mill. Total debt incl. \$1.7 bill. zero coupon notes, ea. conv. into 8.8601 shs., callable beg. 3/1/2007. In early May, 2005, 95% of these notes were exchanged for new conv. notes.																			
(10% of Cap'l)																			
Leases, uncapitalized Annual rentals \$81.0 mill. No Defined Benefit Pension Plan Common Stock 1,234,319,868 shares as of 10/14/05 MARKET CAP: \$94.8 billion (Large Cap)																			
CURRENT POSITION																			
	2003	2004	9/30/05																
Cash Assets	5122.9	5808.0	5551.0																
Receivables	1007.9	1461.0	1664.0																
Inventory (FIFO)	712.6	888.0	1059.0																
Other	558.8	1013.0	919.0																
Current Assets	7402.2	9170.0	9193.0																
Accts Payable	327.2	507.0	497.0																
Debt Due	--	1173.0	1754.0																
Other	1919.1	2477.0	2855.0																
Current Liab.	2246.3	4157.0	5106.0																

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '02-'04 to '08-'10 of change (per sh) Sales 17.5% 18.5% 18.5% "Cash Flow" 19.0% 17.5% 19.5% Earnings 18.5% 16.5% 20.0% Dividends -- -- -- Book Value 30.5% 43.0% 12.5%																		
AMGEN HAS OFFERED TO BUY ABGENIX FOR \$2.2 BILLION CASH. The deal, which is subject to approval by the boards, Abgenix stockholders and regulators, may close in the March quarter and clip \$0.05-\$0.10 from share net. More important, it would give Amgen ownership of two key antibody based drugs, panitumumab and denosumab, that have vast profit potential.																		
Several factors should contribute to above-average profit growth to late decade. We believe share earnings will rise 15%-20% annually from an estimated \$2.95 in 2005 on an expanded product pipeline, further cuts in the tax rate, and stock repurchases. The profit momentum augurs well for this good-quality stock's near-term performance and its 3- to 5-year capital gains potential.																		
The Medicare drug program should aid Enbrel and Sensipar sales. The latter will likely deliver \$200 million in sales next year as its use expands from severe to milder cases of hyperparathyroidism. Similarly, Medicare drug coverage should help Enbrel penetrate the rheumatoid arthritis (RA) market. Another plus will be data showing the drug, in combination																		
with methotrexate, halted disease progression in RA patients for three years. We peg its 2006 sales at \$3.1 billion, up 25%, and look for rapid gains thereafter.																		
Clinical trials aim to expand the market for Aranesp. A study is weighing the drug's potential to reduce cardiovascular disease in patients with Type 2 diabetes and chronic kidney disease. Also, Amgen will soon start a large trial to see whether treating anemia aids against congestive heart failure. The results may greatly expand Aranesp's sales potential. For now, we're looking for its contribution to rise 15%-17% annually, from \$3.2 billion this year. (We've assumed the company's patents block Roche from launching a competitive therapy in the United States.)																		
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Business: Amgen Inc. uses biotechnology to develop and manufacture human therapeutic agents in the areas of hematology, oncology, and inflammation. Important products: <i>Aranesp/Epogen</i> (23%/25% of 2004 sales) for anemia related to cancer chemotherapy and chronic kidney failure; <i>Neulasta/Neupogen</i> (17%/11%), a stimulator of the immune system, and <i>Enbrel</i> (18%) for rheumatoid arthritis. Int'l business: 16% of 2004 sales. 2004 deprec. rate: 5.9%; R&D, 19% of sales. Acq'd Immunex 7/02, Tularik 8/04. Has 14,400 employees; 15,000 stockholders. Officers & directors own less than 1% of stock (3/05 Proxy). Chairman & CEO: K.W. Sharer, Inc.: Delaware. Address: One Amgen Center Dr., Thousand Oaks, CA 91320. Telephone: 805-447-1000. Internet: www.amgen.com																		
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(A) FY end March 31 of following year through 1990; thereafter, calendar-year basis. (B) Primary EPS through 1996; dil. thereafter. Excl. nonrecr. gains/(losses): '94, (10c); '96, 1c; '97, (9c); '99, 3c; '01, (15c); '02, (\$2.60); '04, (40c); '05, 5c. Next EPS report due late Jan. (C) Incl. intang.; in 2004: \$14.6 bill., \$11.55/sh. (D) In mill., adj. for stock splits. (E) As of 12/31/04, had NOL carryforwards of \$726 mill. (F) Stock option costs would have cut share net by 14¢ in the 2005 first nine months. Our 2006 estimates do not reflect such costs.	Company's Financial Strength A++
	Stock's Price Stability 60
	Price Growth Persistence 55
	Earnings Predictability 95

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PERT Worksheet-A

Company AMGEN, INC. (AMGN)

QUARTERLY DATA									LAST 12 MONTHS DATA								
PERIOD	EPS		PRE-TAX PROFIT			SALES		INCOME TAX RATE	EPS \$	PRE-TAX PROFIT		SALES MIL	INCOME TAX		% CHANGE		
	\$	% CHANGE	\$ MIL	% SALES	% CHANGE	\$ MIL	% CHANGE			\$ MIL	% SALES		\$ MIL	% RATE	EPS	PRE-TAX PROFIT	SALES
03/98								28.7						27.6			
06/98								28.7						28.0			
09/98	0.21		322.10	46.0		700.90		31.7						29.1			
12/98	0.22		302.70	40.1		755.00		23.7						28.2			
03/99	0.23		345.70	46.4		745.50		28.1						28.1			
06/99	0.25		382.40	46.6		820.50		29.8	0.90	1,352.90	44.8	3,021.9	383.3	28.3			
09/99	0.27	28.0	403.80	47.7	25.4	847.20	20.9	29.2	0.96	1,434.60	45.3	3,168.2	397.4	27.7			
12/99	0.26	19.8	385.30	41.6	27.3	926.90	22.8	27.2	1.01	1,517.20	45.4	3,340.1	433.4	28.6			
03/00	0.25	8.7	384.70	47.3	11.3	814.10	9.2	29.4	1.03	1,556.20	45.7	3,408.7	449.8	28.9			
06/00	0.28	12.0	439.70	48.1	15.0	914.40	11.4	31.0	1.06	1,613.50	46.1	3,502.6	471.3	29.2	16.7	19.3	15.9
09/00	0.29	9.4	456.00	48.0	12.9	949.50	12.1	31.0	1.08	1,665.70	46.2	3,604.9	493.9	29.6	12.3	16.1	13.8
12/00	0.24	-7.7	375.10	39.4	-2.6	951.40	2.6	30.7	1.06	1,655.50	45.6	3,629.4	505.3	30.5	5.5	9.1	8.7
03/01	0.28	12.0	461.30	51.2	19.9	901.60	10.7	34.1	1.09	1,732.10	46.6	3,716.9	548.7	31.7	6.3	11.3	9.0
06/01	0.30	7.1	485.50	49.2	10.4	986.70	7.9	33.0	1.11	1,777.90	46.9	3,789.2	571.8	32.2	5.2	10.2	8.2
09/01	0.30	3.4	498.30	49.7	9.3	1,003.10	5.6	34.7	1.12	1,820.20	47.4	3,842.8	602.5	33.1	3.7	9.3	6.6
12/01	0.30	25.0	483.80	43.0	29.0	1,124.30	18.2	33.0	1.18	1,928.90	48.0	4,015.7	649.5	33.7	11.3	16.5	10.6
03/02	0.32	14.3	494.10	49.0	7.1	1,008.50	11.9	29.7	1.22	1,961.70	47.6	4,122.6	639.1	32.6	11.9	13.3	10.9
06/02	0.38	26.7	597.60	47.8	23.1	1,249.10	26.6	30.1	1.30	2,073.80	47.3	4,385.0	661.0	31.9	17.1	16.6	15.7
09/02	0.30	0.0	510.30	34.0	2.4	1,499.30	49.5	27.0	1.30	2,085.80	42.7	4,881.2	624.7	29.9	16.1	14.6	27.0
12/02	0.29	-3.3	564.00	31.9	16.6	1,766.10	57.1	30.7	1.29	2,166.00	39.2	5,523.0	636.5	29.4	9.3	12.3	37.5
03/03	0.37	15.6	688.10	39.1	39.3	1,761.20	74.6	27.4	1.34	2,360.00	37.6	6,275.7	680.1	28.8	9.8	20.3	52.2
06/03	0.44	15.8	824.70	40.4	38.0	2,041.10	63.4	28.1	1.40	2,587.10	36.6	7,067.7	732.6	28.3	7.7	24.8	61.2
09/03	0.46	53.3	866.20	39.2	69.7	2,207.70	47.2	28.4	1.56	2,943.00	37.8	7,776.1	843.8	28.7	20.0	41.1	59.3
12/03	0.41	41.4	770.00	32.8	36.5	2,346.00	32.8	28.6	1.68	3,149.00	37.7	8,356.0	886.6	28.2	30.2	45.4	51.3
03/04	0.52	40.5	949.20	40.5	37.9	2,343.00	33.0	27.0	1.83	3,410.10	38.2	8,937.8	956.6	28.1	36.6	44.5	42.4
06/04	0.57	29.5	1,016.80	39.3	23.3	2,584.90	26.6	26.1	1.96	3,602.20	38.0	9,481.6	992.4	27.6	40.0	39.2	34.2
09/04	0.60	30.4	1,063.00	39.2	22.7	2,713.10	22.9	25.5	2.10	3,799.00	38.0	9,987.0	1,018.9	26.8	34.6	29.1	28.4
12/04	0.53	29.3	920.00	31.6	19.5	2,909.00	24.0	24.5	2.22	3,949.00	37.4	10,550.0	1,018.5	25.8	32.1	25.4	26.3
03/05	0.68	30.8	1,166.00	41.2	22.8	2,833.00	20.9	24.8	2.38	4,165.80	37.7	11,040.0	1,051.1	25.2	30.1	22.2	23.5
06/05	0.84	47.4	1,328.00	41.9	30.6	3,172.00	22.7	20.9	2.65	4,477.00	38.5	11,627.1	1,071.4	23.9	35.2	24.3	22.6
09/05	0.81	35.0	1,359.00	43.1	27.8	3,154.00	16.3	25.6	2.86	4,773.00	39.6	12,068.0	1,143.0	23.9	36.2	25.6	20.8
12/05								78.7						37.5			

A B C D E F G H I J K L M N O P Q R S T

Trailing 4 quarters

PERT Worksheet-A Graph

Company AMGEN, INC. (AMGN)

