AMGEN INC
Form 11-K
June 23, 2011

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549
FORM 11-K

(Mark One)

þ	**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010
OR

o	**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 000-12477
AMGEN RETIREMENT AND SAVINGS PLAN
(Full title of the plan)
AMGEN INC.
(Name of issuer of the securities held)

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

Amgen Retirement and Savings Plan
Audited Financial Statements
and Supplemental Schedules
Years Ended December 31, 2010 and 2009

Contents

Table of Contents

Report of Independent Registered Public Accounting Firm

Amgen Inc., as Named Fiduciary, and the Plan Participants of the
Amgen Retirement and Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Amgen Retirement and Savings Plan (the Plan) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) and loans or fixed income obligations in default or classified as uncollectible as of December 31, 2010, and assets (acquired and disposed of within year) for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

Los Angeles, California
June 23, 2011

Table of Contents

Amgen Retirement and Savings Plan
Statements of Net Assets Available for Benefits

	December 31	
	2010	**2009**
Assets		
Investments at fair value	**$ 2,467,408,893**	$ 2,001,113,457
Notes receivable from participants	**39,056,821**	33,088,940
Other - principally due from broker	**5,286,145**	12,262,379
Total assets	**2,511,751,859**	2,046,464,776
Liabilities		
Other principally due to broker	**4,339,311**	26,623,328
Total liabilities	**4,339,311**	26,623,328
Net assets reflecting investments at fair value	**2,507,412,548**	2,019,841,448
Adjustment from fair value to contract value for interests in fully benefit-responsive investment contracts	**(7,435,631)**	(3,744,082)
Net assets available for benefits	**$ 2,499,976,917**	$ 2,016,097,366

See accompanying notes.

Table of Contents

Amgen Retirement and Savings Plan
Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2010	**2009**
Additions to (deductions from) net assets:		
Employer contributions	**$ 149,724,435**	$ 147,003,121
Participant contributions	**128,595,814**	126,536,394
Rollover contributions	**7,411,490**	7,437,455
Interest and dividend income	**24,808,560**	19,697,781
Net realized/unrealized gains	**286,459,798**	376,331,466
Interest income on notes receivable from participants	**1,935,517**	2,031,456
Benefits paid	**(115,056,063)**	(101,482,862)
Net increase	**483,879,551**	577,554,811
Net assets available for benefits at beginning of year	**2,016,097,366**	1,438,542,555
Net assets available for benefits at end of year	**$ 2,499,976,917**	$ 2,016,097,366

See accompanying notes.

3

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements
December 31, 2010

1. Description of the Plan

The following description of the Amgen Retirement and Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

General

The Plan was established effective April 1, 1985 and was most recently amended and restated effective January 1, 2010. The Plan is a defined contribution plan covering substantially all domestic employees of Amgen Inc. (the Company or Amgen) and participating subsidiaries. The Plan, as amended, is intended to qualify under sections 401(a) and 401(k) of the Internal Revenue Code of 1986 (the Code) (see Note 5, *Income Tax Status*) and section 407(d)(3)(A) of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Subject to certain limitations (as defined in the Plan), participants may elect to contribute up to 30% of their eligible compensation in pre-tax contributions, Roth contributions (in accordance with the Code), after-tax contributions or a combination of these types of contributions. A participant s combined pre-tax contributions and Roth contributions (exclusive of catch-up contributions discussed below) are subject to Internal Revenue Service (IRS) and Plan limits and could not exceed a maximum of $16,500 in 2010 and 2009. Participant after-tax contributions are subject to IRS and Plan limitations and could not exceed a maximum of $8,000 in 2010 and 2009. Unless an employee has voluntarily enrolled in the Plan or has declined to participate in the Plan within the first 30 days of employment, all newly eligible participants are automatically enrolled in the Plan and contributions equal to 5% of their eligible compensation are withheld and contributed to the Plan as pre-tax contributions; such contributions are automatically increased by 1% per year until their contributions reach 10% of their eligible compensation. Participants may elect to adjust, cease or resume their contributions at any time.

Participants who are at least age 50 by the close of the Plan year may also elect to make certain additional contributions, referred to as catch-up contributions, that are subject to IRS and Plan limitations and could not exceed $5,500 in 2010 and 2009. Catch-up contributions may be made as pre-tax contributions, Roth contributions or a combination of these types of contributions. Participants may also contribute pre-tax, Roth and after-tax amounts representing certain

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

distributions from defined benefit or other defined contribution plans qualified in the United States or certain individual retirement accounts (IRAs), referred to as rollover contributions (as defined in the Plan).

Each pay period, the Company makes a non-elective contribution for all eligible participants, whether or not they have elected to make contributions to the Plan, equal to 5% of each participant s eligible compensation (Core Contribution). In addition, the Company makes a contribution equal to amounts contributed by the participant as pre-tax contributions or Roth contributions, including such contributions designated as catch-up contributions up to 5% of eligible compensation (Matching Contribution).

Also, the Company can, in its discretion, make a special non-elective contribution on behalf of a participant who is in his or her initial year of employment with the Company and who could not make the maximum participant contribution permitted under the Plan because in the same Plan year he or she previously made pre-tax salary deferrals under a prior unrelated employer s qualified plan.

Participants select the investments in which their contributions, including their Core Contributions and Matching Contributions (collectively, Company Contributions), are to be invested, electing among various alternatives, including Amgen Inc. common stock (Amgen stock). Participants may direct a maximum of 20% of contributions to be invested in Amgen stock. In addition, participants may transfer amounts among the investment options at any time, subject to certain limitations. Notwithstanding the foregoing, if 20% or more of the value of a participant s Plan account is invested in Amgen stock, no transfers from other investment options can be made to invest in Amgen stock.

The accounts of participants who had never made an investment election are allocated to investments under a qualified default investment alternative which is intended to be compliant with ERISA regulations. At any time participants may elect to alter the investments in their accounts made under a qualified default investment alternative.

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Vesting

Participants are immediately vested with respect to their contributions, Company Contributions, and earnings and losses (hereafter referred to as earnings) thereon.

Participant Accounts

Each participant s account is credited with the participant s contributions and an allocation of (a) Company Contributions and (b) earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant s account.

Plan Investments

Participants can invest in any of 14 different asset classes as well as Amgen stock or may actively manage their account under a self-directed brokerage arrangement in which a wider array of investment options are available. Each asset class has investments in one or more underlying investment vehicles, including mutual funds, collective trust funds and portfolios which are separately managed exclusively for the benefit of Plan participants and their beneficiaries (separately managed portfolios). The separately managed portfolios are primarily composed of investments in publicly traded common and preferred stocks of domestic and foreign entities, fixed income securities and collective trust funds.

Payments of Benefits

Upon termination of employment, including termination due to disability (as defined in the Plan) or retirement, but excluding termination due to death, participants may elect to receive an amount equal to the value of their account balance in (a) a single payment in cash, (b) a single distribution in full shares of Amgen stock (with any fractional shares paid in cash), (c) a single distribution paid in a combination of cash and full shares of Amgen stock, (d) cash installments (as defined in the Plan), or (e) a rollover distribution to an eligible retirement plan (as defined in the Plan). If a participant dies before receiving the value of his or her account balance, the participant s beneficiary may elect to receive the distribution of remaining funds from among the alternatives described above, subject to certain Plan limitations.

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Subsequent to termination of employment, participants may also elect to maintain their vested account balance in the Plan, provided that their account balance is greater than $1,000.

Certain restrictions apply to withdrawals from the Plan while a participant continues to be employed by the Company.

Notes Receivable from Participants

Subject to certain restrictions, a participant can have outstanding up to two loans at any one time from his or her Plan account up to a combined maximum amount (as defined in the Plan) equal to the lesser of (a) 50% of their account balance or (b) $50,000 less certain adjustments, as applicable (as defined in the Plan). A participant s loan is secured by his or her Plan account balance. Loans made prior to July 1, 2003 bear interest at fixed rates based on the average borrowing rates of certain major banks. Loans made on or after July 1, 2003 bear interest at fixed rates based on the prime rate plus one percentage point as published in The Wall Street Journal determined as of the last day of the calendar quarter preceding origination or such other rate as may be required by law. Loans are generally payable in installments over periods ranging from one to five years, unless the loan is used to acquire a principal residence for which the term of the loan may be up to 20 years. Principal and interest payments are allocated to the participant s account.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Upon termination, participants would receive distributions of their account balances.

Trustee

Effective, July 1, 2010, Bank of America, N.A. and Northern Trust Company, N.A. are the Plan s co-trustees. Prior to July 1, 2010, Bank of America, N.A. was the trustee.

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Fair Value Measurement

The investments of the Plan are reported at fair value. Fair value is generally defined as the price that would be received to sell an asset or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date (see Note 3, *Fair Value Measurements*).

Investment Income and Losses

Dividend income is recognized on the ex-dividend date and interest income is recorded on an accrual basis. Unrealized gains and losses on investments are measured by the change in the difference between the fair value and cost of the securities held at the beginning of the year (or date purchased if acquired during the Plan year) and the end of the year. Realized gains and losses from security transactions are recorded based on the weighted-average cost of securities sold.

Fully Benefit-Responsive Investment Contracts

The Plan holds units of collective trust funds that have investments in fully benefit-responsive investment contracts. In addition, the Plan directly invests in such contracts in the form of security-backed contracts, discussed below. Such contracts held directly or indirectly by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate qualified transactions related to these investments. The Statements of Net Assets Available for Benefits present these contracts at fair value with an adjustment to contract value. The Statements of Changes in Net Assets Available for Benefits are prepared on a contract value basis.

As of December 31, 2010 and 2009, the Plan had two security-backed contracts which are fully benefit-responsive investment contracts, sometimes referred to as wrapper contracts. These contracts were issued by financial services companies and are backed by the Plan s ownership interest in a collective trust fund that invests in fixed income securities. The credit ratings of one contract issuer are AA- with a negative outlook by Standard & Poor s (S&P), A1 with a negative outlook by Moody s Investor Services, Inc. (Moody s), and aa- with a stable outlook by A.M. Best Company. The credit ratings of the other issuer are AA- with a stable outlook by

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

S&P, Aa1 with a negative outlook by Moody s and AA- with a stable outlook by Fitch, Inc. The issuers of the Plan s security-backed contracts credit the Plan with stated rates of interest, and the issuers guarantee that all qualified participant withdrawals related to the contracts will be at contract value. The crediting rates provide for realized and unrealized gains and losses on the underlying assets to be amortized over the expected duration of the underlying investments through adjustments to the future interest crediting rates rather than being reflected immediately in the net assets of the Plan. The interest crediting rates of the security-backed contracts are primarily based on the current yield to maturity of the underlying investments plus or minus amortization of the difference between the contract value and fair value of the underlying investments over the duration of such investments. Accordingly, future crediting rates are impacted by changes in the yield to maturity of underlying investments, the duration of the assets underlying the contract and the difference between the contract value and fair value of the underlying investments. The crediting rates are reset quarterly and are reduced by fees paid to the contract issuers. In no event are the crediting rates less than 0%.

To the extent that the underlying investments of security-backed contracts have unrealized and/or realized losses, a positive adjustment is made to the adjustment from fair value to contract value in the Statements of Net Assets Available for Benefits. As a result, the future crediting rate may be lower over time than the then-current market rates. Conversely, if the underlying investments generate unrealized and/or realized gains, a negative adjustment is made to the adjustment from fair value to contract value, and the future crediting rate may be higher over time than the then-current market rates.

The security-backed contracts provide for withdrawals at other than contract value associated with certain events which are not in the ordinary course of Plan operations. These withdrawals are made at contract value modified by a market value adjustment as defined in the contract. Circumstances which may trigger a market value adjustment are generally defined as any event which, in the reasonable determination of the issuer, has or will have a material adverse effect on the issuer s interest under the contract. Such events may include, but are not limited to: (i) material amendments to the Plan s structure or administration; (ii) changes in or the creation of competing investment options; (iii) complete or partial termination of the Plan; (iv) removal of a specifically identifiable group of employees from coverage under the Plan; (v) a change in law, regulation, ruling, administrative position, or accounting standard applicable to the Plan; or (vi) communication to Plan participants designed to influence a participant not to invest in the asset class that contains these contracts. The Company does not believe that the occurrence of any such event, which would limit the Plan s ability to transact at contract value with participants, is probable.

These security-backed contracts are evergreen contracts with no maturity dates but do contain termination provisions. The issuer is obligated to pay the excess contract value when the fair

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

value of the underlying investments equals zero. In addition, if the Plan defaults in its obligations under the security-backed contract and such default is not corrected within the time permitted by the contract, then the contract may be terminated by the issuer and the Plan will receive the fair value of the underlying investments as of the date of termination.

The yields earned by the Plan as of December 31, 2010 and 2009 were 2.2% and 2.9%, respectively, which represent the annualized earnings of all security-backed contracts divided by the fair value of all security-backed contracts in the Plan as of December 31, 2010 and 2009, respectively. The yield earned by the Plan with an adjustment to reflect the actual interest rate credited to participants as of December 31, 2010 and 2009 was 3.5% and 3.7%, respectively, which represents the annualized earnings credited to participants divided by the fair value of all security-backed contracts as of December 31, 2010 and 2009, respectively.

Due from/to Brokers

Purchases and sales of investments are recorded on a trade-date basis. Due from brokers and due to brokers arise from unsettled sale and purchase transactions as of December 31, 2010 and 2009.

Change in Method of Accounting for Notes Receivable from Participants

Effective for the year ended December 31, 2010, the Plan adopted a new accounting standard that requires notes receivable from participants to be segregated from Plan investments and measured at their unpaid balance plus any accrued but unpaid interest. As required by this new standard, it has been retrospectively applied to the prior year. The adoption of this new accounting standard did not have any impact on the Plan s net assets available for benefits.

Use of Estimates

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

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

Beginning January 1, 2010, the Plan adopted a new accounting standard which requires additional disclosure about the amounts of and reasons for significant transfers between levels of the fair value hierarchy. This standard also clarifies existing disclosure requirements related to the level of disaggregation of fair value measurements for each class of assets and liabilities and disclosures about inputs and valuation techniques used to measure fair value for Level 2 and Level 3 measurements. As this new accounting standard only requires enhanced disclosure, its adoption did not impact the Plan s net assets available for benefits or changes to net assets available for benefits.

In May 2011, a new accounting standard was issued that amends certain fair value measurement principles, clarifies the application of existing fair value measurement requirements and requires additional disclosures regarding fair value. This new standard is required to be applied prospectively beginning in 2012. The Company is currently evaluating the effect this new accounting standard will have on the Plan s financial statements.

3. Fair Value Measurements

The Plan uses various valuation approaches in determining the fair value of investments 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 investment based on market data obtained from independent sources. Unobservable inputs are inputs that reflect assumptions about the inputs that market participants would use in pricing the investment and are developed based on the best information available in the circumstances. The fair value hierarchy is broken down into three levels based on the source of inputs as follows:

Level 1 Valuations based on unadjusted quoted prices in active markets for identical investments that the Plan 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 investments. 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

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

used to measure 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 input that is significant to the overall fair value measurement.

The following fair value hierarchy table presents information about each major class/category of the Plan s investments measured at fair value:

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

	Fair value measurements at December 31, 2010 using			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets:				
Amgen stock	$ 139,405,458	$ -	$ -	$ 139,405,458
Cash and cash equivalents	19,881,557	-	-	19,881,557
Common and preferred stocks:				
International growth	93,977,228	-	-	93,977,228
Large cap growth	255,478,824	-	-	255,478,824
Large cap value	85,741,285	-	-	85,741,285
Small-mid cap growth	38,249,402	-	-	38,249,402
Small-mid cap value	230,338,562	-	-	230,338,562
Other	70,224,981	-	-	70,224,981
Debt securities:				
U.S. Treasury securities	44,550,895	-	-	44,550,895
U.S. government agency securities	-	62,179,392	-	62,179,392
Corporate debt securities	-	23,154,441	-	23,154,441
Mortgage and asset backed securities	-	16,770,352	-	16,770,352
Mutual funds:				
High yield debt	55,894,767	-	-	55,894,767
Inflation indexed debt	28,201,779	-	-	28,201,779
International value	185,682,583	-	-	185,682,583
Real estate investment trust index	51,673,083	-	-	51,673,083
Other	23,687,490	-	-	23,687,490
Collective trust funds:				
Capital preservation	-	226,216,729	-	226,216,729
Emerging markets equity	-	116,948,981	-	116,948,981
Fixed income	-	16,014,540	-	16,014,540
Inflation indexed debt	-	1,995,480	-	1,995,480
International	-	16,048,576	-	16,048,576
Large cap growth	-	22,395,947	-	22,395,947
Large cap index	-	423,896,749	-	423,896,749
Large cap value	-	6,184,215	-	6,184,215
Small-mid cap growth	-	2,463,833	-	2,463,833
Small-mid cap index	-	142,016,186	-	142,016,186
Small-mid cap value	-	19,473,575	-	19,473,575
Short term investments	-	47,835,124	-	47,835,124
Other	6,445	820,434	-	826,879

$ 1,322,994,339	**$ 1,144,414,554**	**$ -**	**$ 2,467,408,893**

13

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

	Fair value measurements at December 31, 2009 using			
	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets:				
Amgen stock	$ 146,061,982	$ -	$ -	$ 146,061,982
Cash and cash equivalents	35,862,688	-	-	35,862,688
Common and preferred stocks:				
Growth	353,751,058	2,904,921	-	356,655,979
Value	271,739,149	-	-	271,739,149
Other	39,916,055	-	-	39,916,055
Debt securities issued by the U.S. Treasury and other U.S. government agencies	16,813,537	24,674,652	-	41,488,189
Corporate debt securities	-	24,945,461	-	24,945,461
Other debt securities	-	8,792,806	-	8,792,806
Mutual funds:				
Fixed income	50,534,357	-	-	50,534,357
Value	132,761,979	-	-	132,761,979
Other	52,035,159	-	-	52,035,159
Collective trust funds:				
Fixed income	-	269,272,488	-	269,272,488
Growth	-	24,377,843	-	24,377,843
Index	-	417,134,838	-	417,134,838
Value	-	36,686,143	-	36,686,143
Emerging markets	-	90,343,861	-	90,343,861
Other	-	1,725,256	-	1,725,256
Other	11,520	767,704	-	779,224
	$ 1,099,487,484	$ 901,625,973	$ -	$ 2,001,113,457

The fair value of common stocks (including Amgen stock), preferred stocks, mutual funds and U.S. treasury securities are valued using quoted market prices in active markets with no valuation adjustment. Common and preferred stocks traded in markets that are not considered active are valued using broker or dealer quotations.

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

Debt securities other than U.S. treasury securities are valued 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 and broker/dealer quotes of the same or similar securities, issuer credit spreads, benchmark securities and, when applicable, prepayment/default projections based on historical data and other observable inputs.

Collective trust funds represent interests in pooled investment vehicles designed typically for collective investment of employee benefit trusts. The fair values of these investments are determined by reference to the net asset value per unit provided by the fund managers. The unit values are based on the fair values of the trusts underlying assets, which are principally equity and fixed income securities and short-term investments. The investment strategies of the Plan s collective trust funds vary generally based on the investment objectives of the asset class of which they are a part. Such investment strategies include investments in fixed income securities and investments in equity securities for growth and value objectives as well as to replicate domestic and international market indexes and to invest in emerging markets. There are no material redemption restrictions on any of these investments.

4. Investments

The fair values of individual investments that represent 5% or more of the Plan s net assets as of December 31, 2010 and 2009 are as follows:

	December 31	
	2010	2009
Blackrock Equity Index Fund F Collective trust fund	**$ 399,130,479**	$ 317,966,339
Dodge & Cox International Fund	**185,682,583**	132,761,979
Amgen stock	**139,405,458**	146,061,982
Blackrock Extended Equity Market Fund F Collective trust fund	**136,228,720**	*
Wells Fargo Fixed Income Fund D - Collective trust fund	**125,160,486**	115,291,348
Wells Fargo Stable Return Fund G - Collective trust fund	*	101,139,377

*Investment balance was less than 5% of the Plan s net assets.

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

4. Investments (continued)

During the years ended December 31, 2010 and 2009, net realized and unrealized gains/(losses) on the Plan s investments were as follows:

	Year Ended December 31	
	2010	2009
Amgen stock	**$ (4,197,153)**	$ (2,886,135)
Common and preferred stocks	**125,807,749**	160,930,191
Debt securities	**4,194,190**	5,448,633
Mutual funds	**37,801,688**	58,353,945
Collective trust funds	**122,475,000**	152,712,132
Other	**378,324**	1,772,700
	$ 286,459,798	$ 376,331,466

5. Income Tax Status

The Plan received a determination letter from the IRS dated March 27, 2008, stating that the Plan is qualified, in form, under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Subsequent amendments have been structured and are intended to maintain the Plan s tax qualified status. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company believes the Plan is currently being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt. The Company has indicated that it currently intends to continue to take the necessary steps to maintain the Plan s compliance with the applicable requirements of the Code.

Accounting principles generally accepted in the United States require the Company to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination. As of December 31, 2010, no uncertain tax positions have been taken or are expected to be taken, and no amounts related to uncertain tax positions have been recorded in the Plan s financial statements. The Plan is subject to audits by the IRS, however there are currently no audits for any periods in progress. The Company believes the Plan is no longer subject to IRS examinations with respect to annual reports for years prior to 2007.

6. Services Provided by the Company

During 2010 and 2009, the Company has paid trustee fees and certain other administrative costs on behalf of the Plan.

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

7. Reconciliation of Financial Statements to Form 5500

The reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2010 and 2009 consisted of the following:

	December 31	
	2010	2009
Net assets available for benefits per the financial statements	**$ 2,499,976,917**	$ 2,016,097,366
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**7,435,631**	3,744,082
Amounts allocated to withdrawing participants	**(66,864)**	(359,818)
Deemed loans	**(318,875)**	(199,795)
Net assets per the Form 5500	**$ 2,507,026,809**	$ 2,019,281,835

For the year ended December 31, 2010, the following is a reconciliation of the net investment income per the financial statements to the Form 5500:

	Year Ended December 31 2010
Interest and dividend income	$ 24,808,560
Net realized/unrealized gains	286,459,798
Total net investment income per the financial statements	311,268,358
Adjustment from fair value to contract value for fully benefit-responsive investment contracts:	
Less prior year adjustment	(3,744,082)
Add current year adjustment	7,435,631
Total net investment income per the Form 5500	$ 314,959,907

Table of Contents

Amgen Retirement and Savings Plan
Notes to Financial Statements (continued)

7. Reconciliation of Financial Statements to Form 5500 (continued)

For the year ended December 31, 2010, the following is a reconciliation of distributions to participants per the financial statements to the Form 5500:

	Year Ended December 31 2010
Total distributions per the financial statements	$ 115,056,063
Less prior year amounts allocated to withdrawing participants	(359,818)
Add current year amounts allocated to withdrawing participants	66,864
Less prior year deemed loan balance	(199,795)