

Director Response to Enron Bankruptcy Filing

A memo from Amgen CEO and Chairman Kevin W. Sharer to Amgen employees regarding Enron

Headquartered in Thousand Oaks, California, Amgen (NASDAQ: AMGN) is a global biotechnology company that discovers, develops, manufactures and markets human therapeutics based on advances in cellular and molecular biology. Mr. Sharer joined Amgen as president and chief operating officer in 1992. In May 2000, he was elected the third chief executive officer and remains the company's president. The following memo was prepared by Sharer and his management team.

By now, we have all read about the Enron debacle. The media have seized on the complex situation as the story of the day, and although no one has been convicted in court, enough details have emerged through congressional hearings to permit some very strong inferences about what went wrong and what lessons can be learned. The issues raised by the failure of Enron are so important, I feel it necessary to make clear my view of what constitutes appropriate corporate conduct. That is the purpose of this e-mail and what I will communicate in our boardroom and with my executive committee colleagues. I encourage other leaders at Amgen to talk with their teams about the lessons from Enron.

Three general themes emerge for me in considering Enron, and each is a cause for reflection and self-assessment. These themes are: (1) A failure of board and executive management to know the important details of their business. By pleading that they were "uninformed" and relied upon their outside advisors, these directors and executives clearly abdicated their responsibility to the company. (2) A culture of fear and intimidation where subordinates were so afraid to identify serious wrongs that they remained hidden, and (3) An arrogant culture that supported those who wished to make financial results seem strong by reporting results that were at best unintelligible to investors, and at worst, fraudulent.

These themes are recognized by the world and have had negative repercussions in the way investors look at other companies and in their trust in businesses' financial reporting. Moreover, senior executives and boards of directors are not accorded the same degree of trust, confidence and respect they enjoyed only months ago. Let's review each of the three areas from an Amgen perspective to see how we stack up.

1. Amgen has fully independent, engaged and qualified board members who know the details of our business, and an executive management team that takes full and unconditional responsibility for the results of our company – good

or bad. Please read our annual report, which will soon come out, to see how long-serving, expert and diverse is Amgen's board. They pay attention, ask tough questions and get the full and accurate picture from management in a timely fashion. We have a more interactive, lively and engaged board than any I have seen.

It would be personally impossible for me as CEO to do anything other than accept full responsibility for Amgen's results, and I am relentlessly curious and probing to be sure I know what is going on in the Company. Amgen's executive committee members feel the same way about their areas of responsibility.

2. Amgen's values call for an open, trust-and-respect-based team environment where everyone is expected and encouraged to speak up.

I know we sometimes struggle with this one. The desire to please the boss is strong in all organizations, and we at Amgen are susceptible, too. The press of time, heat of the discussion, and presence of senior and junior staff in the same meetings can feel intimidating to some. Where does responsibility lie? First, with the leadership. Do you go out of your way to encourage different opinions? Do you make staff feel free to tell you tough truths? How do you know? Do you receive honest, hard-to-hear, 360-degree feedback on these points? For others – do you have the confidence or courage to speak up in a meeting and if not, do you have the dedication to write your thoughts and forward them to the appropriate audience? I am confident that if we get the facts on the table and have the right people in charting our course, we will do the right thing – it's in our DNA. Of the three Enron lessons, the need to be sure we stay open, respectful and honest with each other, no matter what, is the area that will need the most vigilance.

3. Amgen's financial policies and reporting practices are proper, transparent, fully and objectively examined and meet the highest standards. Amgen enjoys an outstanding reputation in the investment community in this area. I directed a full examination of all our practices and policies in light of the Enron debacle. We have no special-purpose vehicles. Our results are transparent, accurate and complete. We will review the results of this work with our board and audit committee in the coming weeks. Ernst & Young has a long history of serving Amgen as our auditors, and they have been vigilant and independent. We have not and will not bend accounting rules to give the appearance of business results that are inconsistent with the underlying reality in order to make us seem to look better.

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Personal responsibility, core values and trust in our reported results are bedrock to who we are and should never be compromised. After real reflection and

examination, I am confident Amgen's core is very sound. We are all committed to keeping it that way going forward.