

The Merriam Report **AMGN** QESep-09 Amgen Inc.

All amounts in millions except for earnings per share

Quarterly period ending:	QESep-08	QEDec-08	QEMar-09	QEJun-09	QESep-09	Averages
Earnings Per Share (Incl. Ext. Items)	\$ 1.050	\$ 0.904	\$ 0.980	\$ 1.250	\$ 1.360	\$ 1.109
% Change in E.P.S. (from prev. qtr.)		-13.9%	8.4%	27.6%	8.8%	7.7%
Total Revenues	3875.00	3751.00	3308.00	3713.00	3812.00	3691.80
% Change in Revenues (from prev. qtr.)		-3.2%	-11.8%	12.2%	2.7%	0.0%
Cost of Revenues	677.0	558.0	477.0	531.0	545.0	557.6
Accounts Receivable:	2114.0	2073.0	2009.0	2182.0	2331.0	2141.8
% Change in Receivables (from prev. qtr.)		-1.9%	-3.1%	8.6%	6.8%	2.6%
DSO's (# of days it took customers to pay)	49.6	50.3	55.3	53.5	55.6	52.9
Inventories:	2004.0	2075.0	2080.0	2061.0	2155.0	2075.0
% Change in Inventory (from prev. qtr.)		3.5%	0.2%	-0.9%	4.6%	1.9%
Inventory as a % of Sales	51.7%	55.3%	62.9%	55.5%	56.5%	56.39%
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.0
Other Current Assets:	1745.0	1521.0	1609.0	1488.0	1475.0	1567.6
Property, Plant & Equip. (net):	5972.0	5879.0	5804.0	5800.0	5743.0	5839.6
% Change in P,P & E (from prev. qtr.)		-1.6%	-1.3%	-0.1%	-1.0%	-1.0%
Accounts Payable:	3951.0	3886.0	3673.0	3548.0	3903.0	3792.2
% Change in Payables (from prev. qtr.)		-1.6%	-5.5%	-3.4%	10.0%	-0.1%
Quarterly period ending:	QESep-08	QEDec-08	QEMar-09	QEJun-09	QESep-09	
Total Liabilities:	17166.0	15542.0	17413.0	17480.0	18082.0	17136.6
Shareholder equity:	19832.0	20885.0	19967.0	21360.0	22858.0	20980.4
Retained Earnings (Accum. Deficit)	-5519.0	-5673.0	-6659.0	-5423.0	-4042.0	
Operating Cash Flow (OCF)	-5003.0	-4081.0	-5912.0	-3263.0	-417.0	-3735.2
OCF as % of Revenues	-129.1%	-108.8%	-178.7%	-87.9%	-10.9%	-96.6%
Balance Sheet Cash Flow (BSCF)	9356.0	8062.0	10122.0	10262.0	10373.0	9635.0
BSCF as % of Revenues	241.4%	214.9%	306.0%	276.4%	272.1%	267.4%
Spread between OCF & BSCF	-14359.0	-12143.0	-16034.0	-13525.0	-10790.0	-13370.2
Ratios						
Spread to Revenues	-370.55%	-323.73%	-484.70%	-364.26%	-283.05%	-3.653
Spread to OCF						22.51%
MR Dual Cash-Flow Figure	-3.706	-3.237	-4.847	-3.643	-2.831	-3.653

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Amgen Inc.

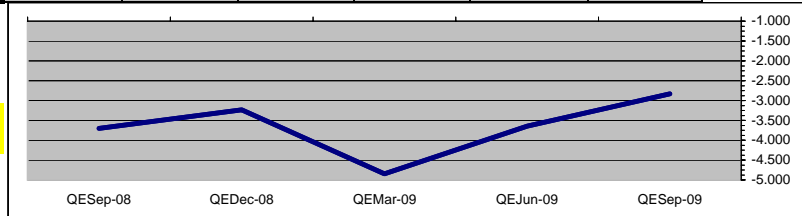
AMGN

QESep-09

Quarterly period ending:	QESep-08	QEDec-08	QEMar-09	QEJun-09	QESep-09
MR Dual Cash-Flow Figure	-3.706	-3.237	-4.847	-3.643	-2.831

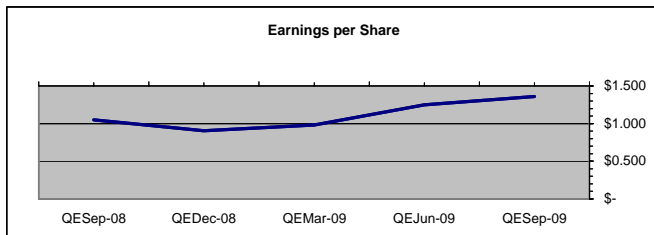
Merriam Report Signals:

- Recent Bearish
- Confirmed Bearish
- Recent Bullish
- Confirmed Bullish



MR Dual Cash-Flow Figure (avg.)

-3.653



Accrual Ratios
Average Accruals

	QESep-08	QEDec-08	QEMar-09	QEJun-09	QESep-09
Accrual Ratios	3.12%	3.77%	0.06%	3.07%	4.94%
Average Accruals	2.99%				

Revenue Metrics (as % of Sales)

Research & Development	16.97%
Cost of Sales	14.30%
S/G/A	24.45%
Payables	102.39%

Recent Qtr.

Combined Avg.

Research & Development	18.96%
Cost of Sales	15.10%
S/G/A	25.20%
Payables	102.72%

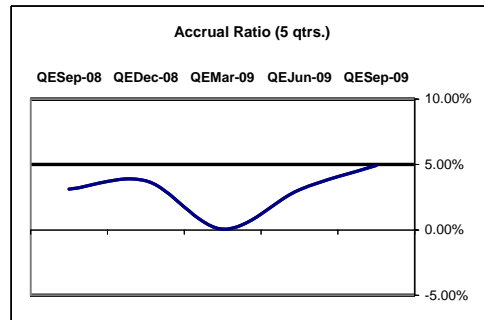
Capital Productivity

Inventory / Revenues	\$ 0.565
Receivables / Revenues	\$ 0.611
Inventory & Receivables / Revenues	\$ 1.177
P,P&E / Revenues	\$ 1.507

Recent Qtr.

Combined Avg.

Inventory / Revenues	\$ 0.562
Receivables / Revenues	\$ 0.580
Inventory & Receivables / Revenues	\$ 1.142
P,P&E / Revenues	\$ 1.582



Accrual Ratios: According to the MR model, a ratio of -5 or less is very bullish and a ratio of +5 or more is very bearish.

Summary of Merriam Report Signals

Dual Cash-Flow Figures

Confirmed Bullish / Recent Bullish

Operating Cash-Flow Trend

Improving

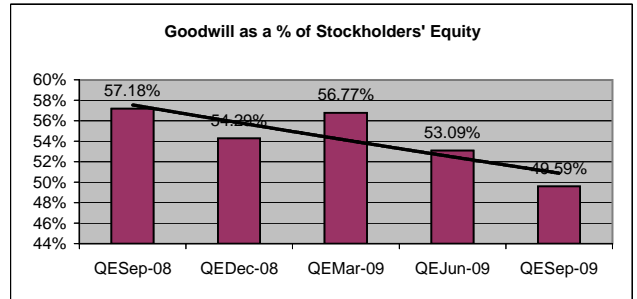
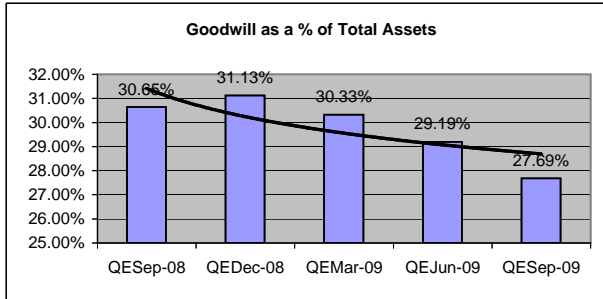
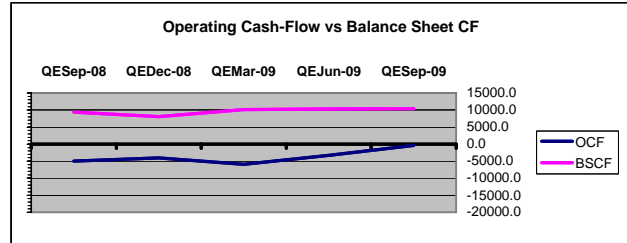
	QESep-08	QEDec-08	QEMar-09	QESep-09
OCF	-5003.0	-4081.0	-5912.0	-3263.0
BSCF	9356.0	8062.0	10122.0	10262.0

Balance Sheet Cash-Flow Trend

Modest Improvement

Comparison of Recent Quarter Changes to Average

EPS	Bullish	
Revenues	Bullish	
Accounts Receivable	Bearish	
Days Sales Outstanding	Bearish	
Inventory	Bearish	
Accounts Payable	Bearish	
Accrual Ratios	Bearish	



Balance Sheet and Income Statement	-2
Accrual Ratios	-1
Revenue Metrics and Capital Productivity	0
Goodwill Trends	-0.75
Merriam Report Score	-3.75

Next Earnings release date:

Jan. 25, 2010

AMGEN (AMGN)

Current Price: \$56.14

Estimated Fair-Value: \$47.72

Current Price to Est. Fair Value: 17.66%

Indices containing AMGN: S&P 100, S&P 500, S&P 1500 Super Comp, Nasdaq 100

Investment Opinion: AVOID

We rate AMGN with an earnings quality grade of C+ based on its rising accrual ratios in each of the last three quarters.

However, we note the OCF as a % of sales has improved significantly in the latest and prior periods. Also, BSCF as a % of sales shows modest declines (an improvement) for the similar periods.

Days-sales-outstanding in the latest period was 56.5 days versus an average of 52.9 of the five periods shown. Inventory as a % of sales is consistent to the average of all periods, but the 10% increase in Sept. '09 accounts payable catches our eye and is significantly higher than average.

Revenue metrics improved in three of four categories while capital productivity changes displayed declines in three of four categories.

Accrual ratios have turned decidedly bearish in the past two periods and investors will want to see a reversal in this trend in order for earnings quality to improve. However, we are encouraged by the declines in Goodwill as a % of equity and assets.

Short-term trading range looks to be \$52-56. Partial positions may be considered on any pull-back to the \$52 area. Full-positions up to \$47.

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Date of Report: 11-16-09

Disclosure of holdings: None

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