

# Exhibit 9

January 22, 2007



## COMPANY UPDATE

# Amgen Inc. (AMGN)

Buy

## Filings further support Amgen in CERA trial but litigation still fluid

### What's changed

In the ongoing patent litigation on CERA between Amgen and Roche, court documents posted last Friday indicate that the starting material of CERA has the same amino acid sequence and carbohydrate composition as EPO and is produced by recombinant DNA technology in Chinese hamster ovary (CHO) cells. Roche has countersued Amgen for anti-trust behavior and challenged the validity of Amgen's patents. Roche has also requested a jury trial which Amgen does not believe Roche is entitled to. As set by Judge Young in 10/06, the trial is targeted to start in 9/07.

### Implications

The new information on CERA suggests that Roche will probably infringe on Amgen's patents. We expect Amgen shares to react favorably to the news. However, the outcome of the anti-trust dispute is difficult to predict and a jury trial, if allowed to proceed, will likely be less favorable for Amgen. Amgen shares will likely be volatile surrounding FDA approval and the litigation on CERA. We continue to believe that the impact on Amgen's EPS is manageable. If CERA were priced at a 10% discount, sales of Aranesp/Epogen might be reduced by about \$0.75 billion (11%) in 2008 leading to 3-year EPS CAGR of about 11% instead of our current projection of 13%, assuming minimal new product sales. The reduction in sales is based on loss of 10%-15% market share and 2%-5% price erosion. The cancer indication on CERA has been delayed by at least 2 years to 2009.

### Valuation

Amgen shares are trading at 15X our 2008 EPS (incl. ESOs) or PEG of 1.1 vs. the biotech average of 22X and 1.2, and drug average of 16X and 2.1, respectively. Our 12-month target price of \$80 is based on our 2007 EPS (ex-ESOs) of \$4.41, 3 year growth rate of 13%, and historical PEG of 1.4.

### Key risks

Risks include litigation vs. Roche and JNJ, cost-containment competition, slower sales, development failures, manufacturing, potential acquisitions.

### INVESTMENT LIST MEMBERSHIP

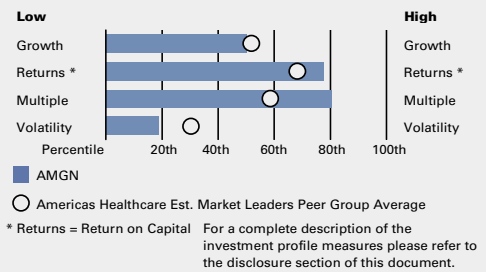
Americas Buy List

### Coverage view: Neutral

United States:  
Biotechnology

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### Investment Profile: Amgen Inc.

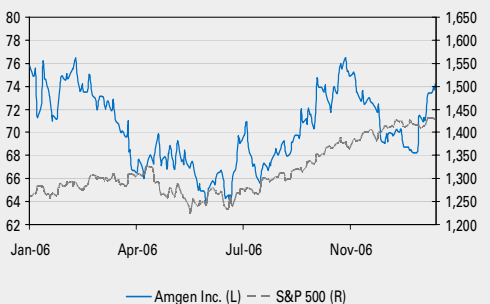


Key data	Current
Price (\$)	74.25
12 month price target (\$)	80.00
Market cap (\$ mn)	86,614.0
Dividend yield (%)	NM
Net margin (%)	31.4
Debt/total capital (%)	33.6

	12/05	12/06E	12/07E	12/08E
Revenue (\$ mn)	12,429.4	14,157.5	15,323.4	16,305.2
EPS (\$)	3.02	3.75	4.24	4.80
P/E (X)	24.6	19.8	17.5	15.5
EV/EBITDA (X)	15.2	13.9	12.9	11.2
ROE (%)	18.9	23.2	26.7	27.7

	9/06	12/06E	3/07E	6/07E
EPS (\$)	1.01	0.88	1.09	1.13

### Price performance chart



Share price performance (%)	3 month	6 month	12 month
Absolute	1.6	15.0	(5.3)
Rel. to S&P 500	(2.9)	1.3	(14.9)

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 1/19/2007 close.

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## Amgen Inc.: Summary financials

Profit model (\$ mn)	12/05	12/06E	12/07E	12/08E	Balance sheet (\$ mn)	12/05	12/06E	12/07E	12/08E
Total revenue	12,429.4	14,157.5	15,323.4	16,305.2	Cash & equivalents	1,840.0	897.3	1,493.8	2,660.9
Cost of goods sold	(2,035.0)	(2,045.3)	(2,136.7)	(2,272.4)	Accounts receivable	1,769.0	2,069.2	2,196.6	2,340.9
SG&A	(2,792.0)	(3,189.2)	(3,313.9)	(3,392.7)	Inventory	1,258.0	975.3	1,046.7	1,113.6
R&D	(2,302.0)	(3,092.4)	(3,358.6)	(3,413.6)	Other current assets	4,368.0	5,581.9	5,655.3	5,738.4
Other operating profit/(expense)	0.0	0.0	0.0	0.0	<b>Total current assets</b>	<b>9,235.0</b>	<b>9,523.6</b>	<b>10,392.3</b>	<b>11,853.8</b>
ESO expense	(308.7)	(244.0)	(260.0)	(260.0)	Net PP&E	5,038.0	5,835.2	6,468.2	7,064.9
<b>EBITDA</b>	<b>5,832.7</b>	<b>6,571.4</b>	<b>7,157.1</b>	<b>7,905.8</b>	Net intangibles	14,237.0	14,941.0	14,605.0	14,269.0
Depreciation & amortization	(841.0)	(924.8)	(903.0)	(939.3)	Total investments	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>4,991.7</b>	<b>5,586.6</b>	<b>6,254.2</b>	<b>6,966.5</b>	Other long-term assets	787.0	1,191.9	1,265.3	1,348.4
Net interest income/(expense)	(99.0)	(109.4)	(111.2)	(111.2)	<b>Total assets</b>	<b>29,297.0</b>	<b>31,491.7</b>	<b>32,730.8</b>	<b>34,536.1</b>
Income/(loss) from associates	0.0	0.0	0.0	0.0	Accounts payable	596.0	516.3	554.1	589.6
Others	119.0	288.5	269.1	271.2	Short-term debt	0.0	1,773.0	1,773.0	1,773.0
<b>Pretax profits</b>	<b>5,011.7</b>	<b>5,765.7</b>	<b>6,412.0</b>	<b>7,126.5</b>	Other current liabilities	2,999.0	2,979.6	3,163.2	3,370.9
Provision for taxes	(1,221.9)	(1,325.4)	(1,538.9)	(1,710.4)	<b>Total current liabilities</b>	<b>3,595.0</b>	<b>5,269.0</b>	<b>5,490.3</b>	<b>5,733.5</b>
Minority interest	0.0	0.0	0.0	0.0	Long-term debt	3,957.0	7,233.0	7,233.0	7,233.0
<b>Net income pre-preferred dividends</b>	<b>3,789.8</b>	<b>4,440.3</b>	<b>4,873.1</b>	<b>5,416.2</b>	Other long-term liabilities	1,294.0	1,228.0	1,237.2	1,247.5
Preferred dividends	0.0	0.0	0.0	0.0	<b>Total long-term liabilities</b>	<b>5,251.0</b>	<b>8,461.0</b>	<b>8,470.2</b>	<b>8,480.5</b>
<b>Net income (pre-exceptionals)</b>	<b>3,789.8</b>	<b>4,440.3</b>	<b>4,873.1</b>	<b>5,416.2</b>	<b>Total liabilities</b>	<b>8,846.0</b>	<b>13,729.9</b>	<b>13,960.4</b>	<b>14,214.0</b>
Post tax exceptionals	(349.0)	(1,372.5)	(264.5)	(264.5)	<b>Preferred shares</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Net income (post-exceptionals)</b>	<b>3,440.8</b>	<b>3,067.7</b>	<b>4,608.7</b>	<b>5,151.7</b>	Common stock	23,561.0	23,600.0	24,000.0	24,400.0
<b>EPS (basic, pre-except) (\$)</b>	<b>3.07</b>	<b>3.78</b>	<b>4.28</b>	<b>4.88</b>	Retained earnings	(3,132.0)	(5,838.3)	(5,229.6)	(4,077.9)
<b>EPS (diluted, pre-except) (\$)</b>	<b>3.02</b>	<b>3.75</b>	<b>4.24</b>	<b>4.80</b>	Other common equity	22.0	0.0	0.0	0.0
<b>EPS (basic, post-except) (\$)</b>	<b>2.78</b>	<b>2.61</b>	<b>4.05</b>	<b>4.64</b>	<b>Total common equity</b>	<b>20,451.0</b>	<b>17,761.7</b>	<b>18,770.4</b>	<b>20,322.1</b>
<b>EPS (diluted, post-except) (\$)</b>	<b>2.74</b>	<b>2.59</b>	<b>4.01</b>	<b>4.57</b>	<b>Minority interest</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Common dividends paid (\$)	0.0	0.0	0.0	0.0	<b>Total liabilities &amp; equity</b>	<b>29,297.0</b>	<b>31,491.7</b>	<b>32,730.8</b>	<b>34,536.1</b>
DPS (\$)	0.00	0.00	0.00	0.00					
Dividend payout ratio (%)	0.0	0.0	0.0	0.0					
Growth & margins (%)	12/05	12/06E	12/07E	12/08E	Additional financials	12/05	12/06E	12/07E	12/08E
Sales growth	17.8	13.9	8.2	6.4	Net debt/equity (%)	10.4	45.7	40.0	31.2
EBITDA growth	16.4	12.7	8.9	10.5	Interest cover (X)	50.4	51.1	56.2	62.6
EBIT growth	16.7	11.9	12.0	11.4	Inventory days	192.5	199.3	172.7	173.5
Net income (pre-except) growth	20.4	17.2	9.7	11.1	Receivable days	47.4	49.5	50.8	50.8
EPS growth	23.8	23.1	13.2	14.0	BVPS (\$)	16.71	15.12	16.49	18.31
Gross margin	83.6	85.6	86.1	86.1	ROA (%)	13.0	14.6	15.2	16.1
EBITDA margin	46.9	46.4	46.7	48.5	CROCI (%)	18.6	19.5	18.2	19.3
EBIT margin	40.2	39.5	40.8	42.7					
Cash flow statement (\$ mn)	12/05	12/06E	12/07E	12/08E	Dupont ROE (%)	18.5	25.0	26.0	26.7
Net income	3,789.8	3,067.7	4,608.7	5,151.7	Margin (%)	30.5	31.4	31.8	33.2
D&A add-back (incl. ESO)	841.0	984.8	903.0	939.3	Turnover (X)	0.4	0.4	0.5	0.5
Minority interest add-back	0.0	0.0	0.0	0.0	Leverage (X)	1.4	1.8	1.7	1.7
Net inc/(dec) working capital	10.0	(419.4)	(50.9)	(51.1)	Free cash flow per share (\$)	3.95	1.67	3.68	4.29
Other operating cash flow	270.2	1,346.1	(73.4)	(83.1)	Free cash flow yield (%)	5.7	2.4	5.0	5.8
<b>Cash flow from operations</b>	<b>4,911.0</b>	<b>4,979.3</b>	<b>5,387.3</b>	<b>5,956.8</b>					
Capital expenditures	(867.0)	(1,134.0)	(1,200.0)	(1,200.0)					
Acquisitions	(9,597.0)	(1,888.0)	0.0	0.0					
Divestitures	10,438.0	0.0	0.0	0.0					
Others	(33.0)	(1,107.0)	0.0	0.0					
<b>Cash flow from investing</b>	<b>(59.0)</b>	<b>(4,129.0)</b>	<b>(1,200.0)</b>	<b>(1,200.0)</b>					
Dividends paid (common & pref)	0.0	0.0	0.0	0.0					
Inc/(dec) in debt	(1,175.0)	(213.0)	0.0	0.0					
Other financing cash flows	(3,362.8)	(1,580.0)	(3,590.8)	(3,589.6)					
<b>Cash flow from financing</b>	<b>(4,537.8)</b>	<b>(1,793.0)</b>	<b>(3,590.8)</b>	<b>(3,589.6)</b>					
<b>Total cash flow</b>	<b>314.2</b>	<b>(942.7)</b>	<b>596.5</b>	<b>1,167.2</b>					

Note: Last actual year may include reported and estimated data.  
Source: Company data, Goldman Sachs Research estimates.

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We continue to believe that Amgen's position is strong in the litigation. With the starting material having the same amino acid and carbohydrate composition as EPO and production in mammalian cells, CERA will probably infringe on Amgen's two issued patents for manufacturing (the 698 and 969 patents) and some of the other four patents under dispute. For Amgen to win, it has to show infringement of only one valid patent claim. Roche argues that all six patents share the same specification and all claim priority to the 5621080 patent on EPO protein that was found to be invalid by the Appeals Court in January 2003. Roche also countersued Amgen on antitrust behavior partly based on its recent five-year exclusive agreement to supply Fresenius' dialysis centers (about 30% of the market) and volume-based contracts. Furthermore, Roche has requested a jury trial. We believe the outcome of the anti-trust suit is more difficult to predict, especially if Roche is successful in obtaining a jury trial. CERA is under review for chronic kidney disease, including dialysis and predialysis patients. The FDA action date was delayed in December 2006 by three months to April 13, 2007. If FDA approval is granted, we expect Roche to launch CERA "at risk" while litigation is ongoing, unless Amgen is successful in obtaining a permanent injunction. We believe the additional data requested by the FDA are related to safety, possibly the link of high hemoglobin with complications which is a "class effect." There might also be data specific to CERA. Prior Phase 3 data on CERA suggest that there were more drug-related severe adverse events. However, the details have not been disclosed by Roche.

Of the six patents included in the lawsuit against Roche, five were involved in the patent dispute between Amgen and Transkaryotic Therapies (TKTX) from December 2001 to October 2004. Four of the five patents were found to be valid by both the US District Court in Boston and the Court of Appeals. The exception was the 933 patent which was found to be invalid. The sixth patent (5,441,868) which covers production of EPO in mammalian cells was not applicable in the TKTX suit, but should be relevant in the case against Roche. Please see Exhibit 1 for a summary of the 6 patents.

**Exhibit 1: Summary of patents in Amgen-Roche and Amgen-TKTX litigations**

US Patent No.	5,955,422	5,621,080	5,756,349	5,547,933	5,618,698	5,441,868
Date of issue	9/21/1999	4/15/1997	5/26/1998	8/20/1996	4/8/1997	8/15/1995
Coverage	Pharmaceutical composition of EPO	EPO protein w/ 166 amino acids	Vertebrate cells producing EPO	Non-natural EPO w/ glycosylation different than urinary EPO	Process for EPO production in mammalian cells	Process for EPO production in mammalian cells
Claims under dispute vs. Roche	1	3, 4, 6	7	3, 7-9, 11, 12, 14	4-9	1, 2
Ruling in TKTX case ?	Y	Y	Y	Y	Y	N
Claims under dispute vs. TKTX	1	2,3,4	1,3,4,6,7	1,2,9	4-9	NA
Infringed ?						
District 12/01	Y	Y*	Y**	N	N	NA
Appeals 1/03	Y	N	Y		Y	NA
District 10/04	Y	Y***	Y		Y	NA
Valid ?						
District 12/01	Y	Y	Y	N	NA	NA
Appeals 1/03	N	N	N	N	Y	NA
District 10/04	Y	Y	Y		Y	NA

Y - yes; N - no; NA - not applicable

\* District Court found Infringement under the Doctrine of Equivalents (12/01). The Appeals court disagreed. There was no ruling by district court in 10/04.

\*\* Both the District Court and Appeals Court found infringement on claims 1, 3, 4 & 6. The District Court found claim 7 was not infringed 12/01, but the Appeals Court disagreed. In 10/04, the District Court found claim 7 was valid and infringed.

\*\*\* District Court reaffirmed infringement 10/30/03

Source: USPTO and Goldman Sachs Research.

## Reg AC

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The precise calculation of each metric may vary depending on the fiscal year, industry and region but the standard approach is as follows:

**Growth** is a composite of next year's estimate over current year's estimate, e.g. EPS, EBITDA, Revenue. **Return** is a year one prospective aggregate of various return on capital measures, e.g. CROCI, ROACE, and ROE. **Multiple** is a composite of one-year forward valuation ratios, e.g. P/E, dividend yield, EV/FCF, EV/EBITDA, EV/DACF, Price/Book. **Volatility** is measured as trailing twelve-month volatility adjusted for dividends.

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## Disclosures

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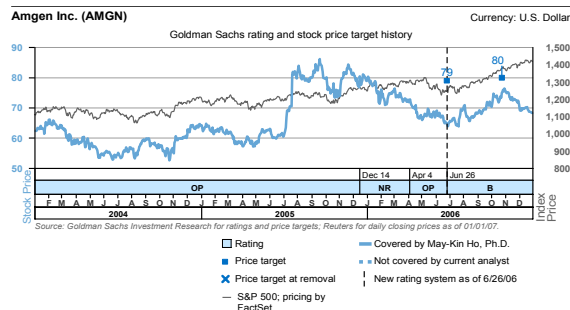
#### Rating Distribution

#### Investment Banking Relationships

	Buy	Hold	Sell	Buy	Hold	Sell
Global	26%	60%	14%	47%	39%	36%

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