

EXHIBIT 1
TO
MAY 1 LETTER FROM MARGOT F. ALICKS

Bank of America



May 1, 2009

Amylin Pharmaceuticals, Inc.
9360 Towne Center Drive, Suite 110
San Diego, CA 92121
Attention: Mark Foletta

Engagement Letter

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of December 21, 2007 (as it may be amended by the Agreement described below and as otherwise amended, restated or modified from time to time, the "**Credit Agreement**"; capitalized terms used but not defined herein shall be defined as set forth in the Credit Agreement), by and among Amylin Pharmaceuticals, Inc. (the "**Company**" or "**you**") and certain of the Company's subsidiaries from time to time party thereto (collectively, together with the Company, the "**Borrowers**"), the several banks and other financial institutions or entities from time to time parties thereto, as lenders (collectively, the "**Lenders**"), Silicon Valley Bank and RBS Asset Finance, Inc., as syndication agents, Comerica Bank and BMO Capital Markets Financing, Inc., as documentation agents, and Bank of America, N.A., as administrative agent and collateral agent (the "**Administrative Agent**") for the Lenders, and as L/C Issuer, sole lead arranger and sole book manager.

You have advised Bank of America and Banc of America Leasing & Capital, LLC ("**BALC**") that (a) certain shareholders of the Company are seeking election of members of the Board of Directors of the Company (the "**Shareholder Nominees**") different from the slate of directors proposed by the Company and, if six or more of the Shareholder Nominees are elected, such election will constitute a Change of Control giving rise to an Event of Default under the Credit Agreement (the "**Specified Change of Control**") and (b) in connection with the nomination of the Shareholder Nominees, certain shareholders of the Company have filed a claim with the Court of Chancery of the State of Delaware challenging the Change of Control provisions under the Credit Agreement (the "**Proxy Litigation**"). You have requested that the Administrative Agent, Bank of America, BALC and the other Required Lenders enter into an agreement (the "**Agreement**"), upon and subject to terms and conditions to be determined, to (i) consent to the election of six or more of the Shareholder Nominees and otherwise waive the Event of Default that otherwise would arise from a Specified Change of Control and (ii) to waive the Event of Default resulting from the Proxy Litigation.

In connection with the foregoing, Bank of America and BALC are pleased to advise you of their agreement, under and subject to the terms and conditions set forth in this letter (this "**Engagement Letter**"), to use their respective best efforts to structure the Agreement and obtain all necessary Required Lender consents to the Agreement and the transactions contemplated thereby. Structuring and obtaining all necessary consents to the Agreement and such other documents, agreements and instruments as Bank of America and BALC reasonably may determine in consultation with you are necessary and proper to obtain all necessary Lender consents to and otherwise effect the Agreement and the transactions contemplated thereby are referred to herein, collectively, as the "**Agreement Transactions**".

The agreements and undertakings of Bank of America and BALC to provide the services described herein are subject in all respects to the satisfaction of each of the following conditions precedent in a manner acceptable to Bank of America and BALC: (a) the accuracy and completeness in all material respects of all representations that you and your affiliates make to Bank of America and BALC and your compliance in all material respects with the terms of this Engagement Letter; (b) the negotiation, execution and delivery of the Agreement and the other documents and instruments necessary to effect the Agreement Transactions (collectively, the “**Agreement Documents**”) satisfactory to Bank of America and BALC; (c) obtaining all necessary Required Lender consents; (d) no Default or Event of Default shall have occurred or be continuing, except for any defaults that are the subject of the Agreement; and (e) no change, occurrence or development shall have occurred or become known to Bank of America or BALC since the date of the audited financial statements most recently delivered in accordance with Section 6.01(a) of the Credit Agreement with respect to any of the Loan Parties that has had or could reasonably be expected to have a Material Adverse Effect; *provided that*, nothing in this paragraph is intended to be construed to prevent BALC from commencing its efforts to manage the request for necessary Required Lender consents.

Bank of America and BALC intend to use their respective best efforts to structure the Agreement Transactions in order to obtain all necessary Required Lender consents. You agree to actively assist Bank of America and BALC in obtaining all such consents. Such assistance shall include your (a) providing and causing your advisors to provide Bank of America, BALC and the other Lenders upon request with all information reasonably deemed necessary by Bank of America or BALC to obtain any such consent, (b) using your commercially reasonable efforts to ensure that the efforts of BALC and Bank of America to obtain such consents benefit materially from your existing lending and banking relationships and (c) otherwise assisting BALC and Bank of America in its efforts to obtain any necessary Lender consent.

You represent and warrant that to the best of your knowledge (a) all written information (other than projections, financial estimates, forecasts and other forward-looking information, “**Projections**”) which has been or is hereafter made available to Bank of America, BALC or the Lenders by you or any of your representatives (or on your or their behalf) in connection with any aspect of the Agreement Transactions, as and when furnished, and when taken as a whole, is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading and (b) the Projections that have been or will be made available to Bank of America, BALC or the Lenders by you or any of your representatives (or on your or their behalf) have been, or will be, prepared in good faith based upon assumptions that are believed by you to be reasonable at the time made and at the time the related Projections are so made available; it being understood that the Projections are as to future events and are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material. You agree that, if at any time prior to the Effective Date, you become aware that any of the representations and warranties in the preceding sentence would be, to the best of your knowledge, incorrect in any material respect if such information and the Projections were being furnished, and such representations were being made, at such time, then you will furnish us with further and supplemental information from time to time until the Effective Date (as hereinafter defined) so that the representations and warranties in the immediately preceding sentence are correct on the Effective Date as if the information were being furnished, and such representation, warranty and covenant were being made, on such date. In entering into this Agreement, each of Bank of America and BALC is and will be using and relying on the information without independent verification thereof.

By executing this Engagement Letter, you agree to pay to Bank of America and BALC the following fees:

- **Upfront Fee.** Unless, within ten (10) days following the occurrence of a Specified Change of Control, the Company has (a) repaid in full in cash the aggregate outstanding Loans under the Credit Agreement, (b) terminated the Revolving Credit Facility, (c) fully Cash Collateralized the Outstanding Amount of L/C Obligations and the Permitted FX Facility under the Credit Agreement and (d) terminated the Letter of Credit Sublimit in accordance with Section 2.06 of the Credit Agreement, the Company will pay, immediately upon the expiration of such ten day period following the occurrence of a Specified Change of Control, to the Administrative Agent, for the account of each consenting Lender (including Bank of America and BALC), a fee (the “**Upfront Fee**”) in an amount equal to 50 bps times the aggregate outstanding Loans, participations in Letters of Credit and available Revolving Credit Commitments of each consenting Lender. The Upfront Fee described shall be for the Lenders’ consent to the Agreement and shall be payable in full, so long as the Effective Date has already occurred, immediately upon the expiration of the ten day period following the occurrence of a Specified Change of Control.
- **Work Fee.** Unless, within ten (10) days following the occurrence of a Specified Change of Control, the Company has (a) repaid in full in cash the aggregate outstanding Loans under the Credit Agreement, (b) terminated the Revolving Credit Facility, (c) fully Cash Collateralized the Outstanding Amount of L/C Obligations and Permitted FX Facility under the Credit Agreement and (d) terminated the Letter of Credit Sublimit in accordance with Section 2.06 of the Credit Agreement, the Company will pay, immediately upon the expiration of such ten day period following the occurrence of a Specified Change of Control, to BALC, for its own account, a fee (the “**Work Fee**”) in an amount equal to 25 bps times the aggregate outstanding Loans, participations in Letters of Credit and available Revolving Credit Commitments. The Work Fee shall be for managing the request for necessary Required Lender consent to the Agreement and shall be payable in full, so long as the Effective Date has already occurred, immediately upon the expiration of the ten day period following the occurrence of a Specified Change of Control.

In addition, you agree to reimburse Bank of America and BALC from time to time on demand for all reasonable out-of-pocket fees and expenses (including, but not limited to, the reasonable fees, disbursements and other charges of McGuireWoods, LLP, as counsel to Bank of America and BALC) actually incurred in connection with the Agreement and the preparation of the other Agreement Documents and with any other aspect of the Agreement Transactions, whether or not the Effective Date (defined below) ever occurs. All of the fees described above in this letter agreement shall be fully earned upon becoming due and payable in accordance with the terms hereof, shall be nonrefundable for any reason whatsoever and shall be in addition to any other fees, costs and expenses payable pursuant to the Credit Agreement. BALC reserves the right to allocate, in whole or in part, to Bank of America certain fees payable to BALC hereunder in such manner as Bank of America and BALC shall agree in their sole discretion.

You hereby acknowledge and ratify your indemnification obligations under Section 10.04(b) of the Credit Agreement and hereby acknowledge and agree that such indemnification obligations include, without limitation, losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of counsel for any Indemnitee) arising from or related to (a) entering into and/or performance of this Engagement Letter, the Agreement, or the other Agreement Documents, (b) obtaining the necessary Lender consents to the Agreement, (c) the Proxy Litigation and any other litigation, claim or proceeding arising from or with respect thereto or from or with respect to any proxy battle or shareholder election with respect to the Company, or (d) any aspect of the Agreement Transactions. Notwithstanding the foregoing acknowledgment, nothing in this paragraph shall be construed to limit or

expand your indemnification obligations beyond those already contained in Section 10.04(b) of the Credit Agreement.

This Engagement Letter and the contents hereof and thereof are confidential and may not be disclosed in whole or in part to any person or entity without our prior written consent; *provided, however*, (a) you may disclose this Engagement Letter (except for provisions with respect to fees payable to or for the account of Bank of America, BALC or the Lenders) after your acceptance of this Engagement Letter in filings with the Securities and Exchange Commission and other applicable regulatory authorities and stock exchanges and (b) you may disclose this Engagement Letter (i) on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the Agreement Transactions and (ii) pursuant to the order of any court or administrative agency in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process or to the extent requested or required by governmental and/or regulatory authorities, in each case based on the reasonable advice of your legal counsel (in which case you agree, if permitted by applicable law, to inform us promptly thereof prior to disclosure).

Bank of America and BALC hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the “*Act*”), each of them is required to obtain, verify and record information that identifies you, which information includes your name and address and other information that will allow Bank of America or BALC, as applicable, to identify you in accordance with the Act.

You acknowledge that Bank of America and BALC and their affiliates may be providing financing or other services to parties whose interests may conflict with yours. Bank of America and BALC agree that they will not furnish confidential information obtained from you to any of their other customers and that they will treat confidential information relating to you and your affiliates with the same degree of care as they treat their own confidential information. Bank of America and BALC further advise you that they will not make available to you confidential information that they have obtained or may obtain from any other customer. In connection with the services and transactions contemplated hereby, you agree that Bank of America and BALC are permitted to access, use and share with any of their bank or non-bank affiliates, agents, advisors (legal or otherwise) or representatives any information concerning you or any of your respective affiliates that is or may come into the possession of Bank of America, BALC or any of their affiliates, provided that such affiliates, agents, advisors (legal or otherwise) or representatives are either subject to customary confidentiality obligations of professional practice or informed of and agree to be bound by the terms of this paragraph (or language substantially similar to this paragraph).

In connection with all aspects of the Agreement Transactions, you acknowledge and agree, and acknowledge your affiliates’ understanding, that: (a) (i) the services described herein regarding the Agreement Documents and the Agreement Transactions are arm’s-length commercial transactions between you and your affiliates, on the one hand, and Bank of America and BALC, on the other hand, (ii) you have consulted your own legal, accounting, regulatory and tax advisors to the extent you have deemed appropriate, and (iii) you are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby; (b) (i) Bank of America and BALC each has been, is, and will be acting solely as a principal and, except as otherwise expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for you, any of your affiliates or any other person or entity and (ii) neither Bank of America nor BALC has any obligation to you or your affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein; and (c) Bank of America and BALC and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from yours and those of your affiliates, and Bank of America and BALC have no obligation to disclose any of such interests to you or your affiliates.

The provisions of the immediately preceding five paragraphs shall remain in full force and effect regardless of whether the Agreement Documents shall be executed and delivered, and notwithstanding the termination of this Engagement Letter or any agreement or undertaking of Bank of America or BALC hereunder.

This Engagement Letter may be executed in counterparts which, taken together, shall constitute an original. Delivery of an executed counterpart of this Engagement Letter by telecopier, facsimile or PDF shall be effective as delivery of a manually executed counterpart thereof.

This Engagement Letter shall be governed by, and construed in accordance with, the laws of the State of New York. Each of you, Bank of America and BALC hereby irrevocably waives any and all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Engagement Letter, the Agreement Transactions and the other transactions contemplated hereby and thereby or the actions of Bank of America and BALC in the negotiation, performance or enforcement hereof. The agreements and undertakings of Bank of America and BALC may be terminated by us if you fail to perform your obligations under this Engagement Letter on a timely basis.

This Engagement Letter embodies the entire agreement and understanding among Bank of America, BALC, you and your affiliates with respect to the Agreement Transactions and supersedes all prior agreements and understandings relating to the specific matters hereof. However, please note that the terms and conditions of the agreements and undertakings of Bank of America and BALC hereunder are not limited to those set forth herein. Those matters that are not covered or made clear herein are subject to mutual agreement of the parties. No party has been authorized by Bank of America or BALC to make any oral or written statements that are inconsistent with this Engagement Letter.

This Engagement Letter is not assignable by you without our prior written consent and is intended to be solely for the benefit of the parties hereto and the Indemnified Parties.

This Engagement Letter and all agreements and undertakings of Bank of America and BALC hereunder will expire at 5:00 p.m. (New York City time) on May 1, 2009 unless you execute this Engagement Letter and return it to us prior to that time (which may be by facsimile transmission), whereupon this Engagement Letter (which may be signed in one or more counterparts and delivered by courier, mail, facsimile transmission, PDF or other electronic means) shall become binding agreements. Thereafter, all agreements and undertakings of Bank of America and BALC hereunder will expire at 5:00 p.m. (New York City time) on May 27, 2009, unless the Effective Date shall have occurred on or prior to such date.

As used herein, "**Effective Date**" shall mean the date upon which all conditions precedent to the effectiveness of the Agreement (other than any additional conditions precedent with respect to any waiver of a Change of Control) have either been satisfied or waived.

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We are pleased to have the opportunity to work with you in connection with this important transaction.

Very truly yours,

BANK OF AMERICA, N.A.

By: 

Name: Karin S. Barnes

Title: Senior Vice President

BANC OF AMERICA LEASING & CAPITAL, LLC

By: _____

Name: _____

Title: _____

ACCEPTED AND AGREED TO
AS OF THE DATE FIRST ABOVE WRITTEN:

AMYLIN PHARMACEUTICALS, INC.

By: _____

Name: _____

Title: _____

Signature Page
Engagement Letter

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We are pleased to have the opportunity to work with you in connection with this important transaction.

Very truly yours,

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

BANC OF AMERICA LEASING & CAPITAL, LLC

By:  _____
Name: Lori J. Noberini
Title: Vice President

ACCEPTED AND AGREED TO
AS OF THE DATE FIRST ABOVE WRITTEN:

AMYLIN PHARMACEUTICALS, INC.

By: _____
Name: _____
Title: _____

We are pleased to have the opportunity to work with you in connection with this important transaction.

Very truly yours,

BANK OF AMERICA, N.A.


By: _____
Name: _____
Title: _____

BANC OF AMERICA LEASING & CAPITAL, LLC

By: _____
Name: _____
Title: _____

ACCEPTED AND AGREED TO
AS OF THE DATE FIRST ABOVE WRITTEN:

AMYLIN PHARMACEUTICALS, INC.

By:  _____
Name: _____
Title: **Lloyd A. Rowland**
Vice President, Governance
and Compliance, and Secretary