

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 10-Q/A

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1995

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 0-12477

AMGEN INC.

(Exact name of registrant as specified in its charter)

Delaware

95-3540776

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1840 Dehavilland Drive, Thousand Oaks, California 91320-1789

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (805) 447-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

As of March 31, 1995, the registrant had 132,344,322 shares of Common Stock, \$.0001 par value, outstanding.

AMGEN INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information in this report for the three months ended March 31, 1995 and 1994 is unaudited but includes all adjustments (consisting only of normal recurring accruals) which Amgen Inc. ("Amgen" or the "Company") considers necessary for a fair presentation of the results of operations for those periods.

The condensed financial statements should be read in conjunction with the Company's financial statements and the notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.

Interim results are not necessarily indicative of results for the full fiscal year.

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	1995	1994
Revenues:		
Product sales.....	\$411,237	\$345,731
Corporate partner revenues.....	19,776	13,991
Royalty income.....	8,353	4,276
Total revenues.....	439,366	363,998
Operating expenses:		
Cost of sales.....	66,573	53,283
Research and development.....	113,883	73,725
Marketing and selling.....	58,761	53,173
General and administrative.....	34,638	28,308
Loss of affiliates, net.....	12,685	7,257
Total operating expenses.....	286,540	215,746
Operating income.....	152,826	148,252
Other income (expense):		
Interest and other income.....	12,899	5,511
Interest expense, net.....	(3,784)	(2,640)
Total other income (expense).....	9,115	2,871
Income before income taxes.....	161,941	151,123
Provision for income taxes.....	53,317	57,663
Net income.....	\$108,624	\$ 93,460
	=====	=====
Earnings per share:		
Primary earnings per share.....	\$0.78	\$0.66
Fully diluted earnings per share..	\$0.78	\$0.66
Shares used in calculation of:		
Primary earnings per share.....	139,752	141,371
Fully diluted earnings per share..	140,131	141,371

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)
(Unaudited)

	March 31, 1995	December 31, 1994
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 199,024	\$ 211,323
Marketable securities.....	568,359	485,358
Trade receivables, net.....	189,128	194,712
Inventories.....	92,497	98,004
Deferred tax assets, net.....	70,176	70,176
Other current assets.....	49,746	56,065
	-----	-----
Total current assets.....	1,168,930	1,115,638
Property, plant and equipment at cost, net.	670,596	665,314
Investments in affiliated companies.....	75,745	82,263
Other assets.....	137,140	130,932
	-----	-----
	\$2,052,411	\$1,994,147
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 33,451	\$ 30,476
Commercial paper.....	99,339	99,667
Other accrued liabilities.....	401,153	406,287
	-----	-----
Total current liabilities.....	533,943	536,430
Long-term debt.....	181,205	183,407
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$.0001 par value; 750,000 shares authorized; outstanding - 132,344 shares in 1995 and 132,328 shares in 1994.....	13	13
Additional paid-in capital.....	748,814	719,310
Retained earnings.....	588,436	554,987
	-----	-----
Total stockholders' equity.....	1,337,263	1,274,310
	-----	-----
	\$2,052,411	\$1,994,147
	=====	=====

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

	Three Months Ended	
	March 31,	
	1995	1994
	-----	-----
Cash flows from operating activities:		
Net income.....	\$108,624	\$ 93,460
Depreciation and amortization.....	19,719	17,846
Deferred income taxes.....	-	2,507
Loss of affiliates, net.....	12,685	7,257
Cash provided by (used in):		
Trade receivables, net.....	5,584	(6,783)
Inventories.....	5,507	(7,200)
Other current assets.....	6,319	767
Accounts payable.....	2,975	(2,346)
Accrued liabilities.....	(5,107)	11,172
	-----	-----
Net cash provided by operating activities.....	156,306	116,680
	-----	-----
Cash flows from investing activities:		
Purchases of property, plant and equipment.....	(24,965)	(36,978)
Proceeds from maturities of marketable securities.....	35,323	19,000
Proceeds from sales of marketable securities.....	303,190	587,390
Purchases of marketable securities...	(421,514)	(584,044)
Decrease in investments in affiliated companies.....	4,555	651
Increase in other assets.....	(6,208)	(10,167)
	-----	-----
Net cash used in investing activities.....	(109,619)	(24,148)
	-----	-----

See accompanying notes.

(Continued on next page)

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In thousands)
(Unaudited)

	Three Months Ended	
	March 31,	
	1995	1994
	-----	-----
Cash flows from financing activities:		
Decrease in commercial paper.....	\$ (328)	\$(9,920)
Proceeds from issuance of long-term debt.....	-	10,000
Repayment of long-term debt.....	(2,229)	(524)
Net proceeds from issuance of common stock upon the exercise of stock options.....	23,769	5,278
Tax benefit related to stock options.	5,700	4,400
Net proceeds from issuance common stock upon the exercise of warrants.....	-	846
Repurchases of common stock.....	(75,175)	(75,138)
Other.....	(10,723)	(8,248)
	-----	-----
Net cash used in financing activities.....	(58,986)	(73,306)
	-----	-----
(Decrease) increase in cash and cash equivalents.....	(12,299)	19,226
Cash and cash equivalents at beginning of period.....	211,323	128,505
	-----	-----
Cash and cash equivalents at end of period.....	\$199,024	\$147,731
	=====	=====

See accompanying notes.

AMGEN INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 1995

1. Summary of significant accounting policies

Business

Amgen Inc. ("Amgen" or the "Company") is a global biotechnology company that develops, manufactures and markets human therapeutics based on advanced cellular and molecular biology.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as well as affiliated companies for which the Company has a controlling financial interest and exercises control over their operations ("majority controlled affiliates"). All material intercompany transactions and balances have been eliminated in consolidation. Investments in affiliated companies which are 50% owned and/or where the Company exercises significant influence over operations are accounted for using the equity method. All other equity investments are accounted for under the cost method. The caption "Loss of affiliates, net" includes Amgen's equity in the operating results of affiliated companies and the minority interest others hold in the operating results of Amgen's majority controlled affiliates.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined in a manner which approximates the first-in, first-out (FIFO) method. Inventories are shown net of applicable reserves and allowances. Inventories consist of the following (in thousands):

	March 31, 1995	December 31, 1994
Raw materials.....	\$11,167	\$10,943
Work in process.....	43,978	54,032
Finished goods.....	37,352	33,029
	-----	-----
	\$92,497	\$98,004
	=====	=====

Product sales

Product sales consist of two products, EPOGEN(R) (Epoetin alfa) and NEUPOGEN(R) (Filgrastim).

As a result of an agreement between Amgen and Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson ("Johnson & Johnson") covering the U.S. market for the Company's Epoetin alfa product, Amgen does not recognize product sales it makes into the contractual market of Johnson & Johnson and does recognize the product sales made by Johnson & Johnson into Amgen's contractual market. These sales amounts, and adjustments thereto, are derived from third-party data on shipments to end users and their usage as the data becomes available (see Note 4, "Contingencies - Johnson & Johnson arbitration").

Income taxes

Income taxes are accounted for in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109 (Note 3).

Earnings per share

Earnings per share are computed in accordance with the treasury stock method. Primary and fully diluted earnings per share are based upon the weighted average number of common shares and dilutive common stock equivalents during the period in which they were outstanding. Common stock equivalents include outstanding options under the Company's stock option plans and warrants to purchase shares of the Company's common stock. The warrants expired on June 30, 1994.

Basis of presentation

The financial information for the three months ended March 31, 1995 and 1994 is unaudited but includes all adjustments (consisting only of normal recurring accruals) which the Company considers necessary for a fair presentation of the results of operations for these periods. Interim results are not necessarily indicative of results for the full fiscal year.

Reclassification

Certain prior period amounts have been reclassified to conform to the current period presentation.

2. Debt

As of March 31, 1995, \$99.3 million of commercial paper was outstanding. These borrowings had maturities of three months or less and had effective interest rates averaging 6.1%.

As of March 31, 1995, \$150.0 million was available under the Company's line of credit for borrowing and to support the Company's commercial paper program.

Long-term debt consists of the following (in thousands):

	March 31, 1995	December 31, 1994
Medium Term Notes.....	\$113,000	\$113,000
Promissory notes.....	68,200	68,200
Other long-term obligations.....	23	2,252
	-----	-----
	181,223	183,452
Less current portion.....	(18)	(45)
	-----	-----
	\$181,205	\$183,407
	=====	=====

The Company has registered \$200.0 million of unsecured medium term debt securities ("Medium Term Notes") of which \$113.0 million were outstanding at March 31, 1995. These Medium Term Notes bear interest at fixed rates averaging 5.8% and mature in two to eight years.

3. Income taxes

The provision for income taxes consists of the following (in thousands):

	Three Months Ended March 31,	
	1995	1994
	-----	-----
Federal.....	\$48,538	\$49,861
State.....	4,779	7,802
	-----	-----
	\$53,317	\$57,663
	=====	=====

4. Contingencies

Johnson & Johnson arbitration

In September 1985, the Company granted Johnson & Johnson an exclusive license under certain patented technology and know-how of the Company to sell erythropoietin throughout the United States for all human uses except dialysis and diagnostics.

In January 1989, Johnson & Johnson initiated arbitration proceedings with respect to a number of disputes which had arisen between Amgen and Johnson & Johnson as to the respective rights and obligations of the parties under the various agreements between them. Amgen filed a cross petition for arbitration raising additional disputes for resolution by the arbitrator. The scope of the

arbitration covers erythropoietin, hepatitis B vaccine and interleukin-2.

In April 1990, the arbitrator ruled that Johnson & Johnson must purchase from Amgen all of Johnson & Johnson's actual United States sales requirements of recombinant human erythropoietin. In December 1990, the U.S. Food and Drug Administration approved Amgen's application to name Johnson & Johnson a distributor of Epoetin alfa under the trademark PROCRI(R). In January 1991, Johnson & Johnson began distributing Epoetin alfa.

In June 1991, the arbitrator issued an opinion awarding Johnson & Johnson \$164.0 million on its claims regarding erythropoietin. In September 1992, the arbitrator found that Johnson & Johnson had breached its obligations regarding hepatitis B vaccine and interleukin-2, and in January 1993 awarded the Company approximately \$90.0 million in damages against Johnson & Johnson. In January 1993, the Company paid Johnson & Johnson the sum of \$82.4 million, representing the difference between the damages awarded Johnson & Johnson as a result of its erythropoietin claims, and the amounts awarded Amgen against Johnson & Johnson as a result of its hepatitis B vaccine and interleukin-2 claims, plus interest. Johnson & Johnson returned to the Company the rights to develop and market hepatitis B vaccine and interleukin-2 in March 1991.

The Company and Johnson & Johnson are required to compensate each other for Epoetin alfa sales which either party makes into the other party's contractual market. The Company has established and is employing an accounting methodology to assign the proceeds of sales of EPOGEN(R) and PROCRI(R) in Amgen's and Johnson & Johnson's respective contractual markets. The Company has made payments to Johnson & Johnson based upon the results of the Company's accounting methodology. Johnson & Johnson has disputed the methodology employed by the Company and is proposing an alternative methodology for adoption by the arbitrator. If, as a result of the arbitration proceeding, a methodology different from that currently employed by the Company is instituted to assign the proceeds of sales between the parties, it may yield results that are different from the results of the accounting methodology currently employed by the Company. As a result of the arbitration, it is possible that the Company would recognize a different level of EPOGEN(R) sales than are currently being recognized. As a result of the arbitration, the Company may be required to pay additional compensation to Johnson & Johnson for sales during prior periods, or Johnson & Johnson may be required to pay compensation to the Company for such prior period sales. Due to the uncertainties of any arbitrated result, the Company has established net liabilities that exceed the amounts paid to Johnson & Johnson.

A trial date has been set for October 2, 1995 before the arbitrator regarding the accounting methodologies and compensation for sales by Johnson & Johnson into Amgen's contractual market and sales by Amgen into Johnson & Johnson's contractual market. Discovery as to these issues is in progress.

Synergen litigation

Acquisition litigation

The Company and its wholly owned subsidiary, Amgen Boulder Inc. (formerly Synergen), have been named as defendants in several lawsuits filed in connection with the Company's December 1994 acquisition of Synergen (the "Acquisition"). One suit, brought by plaintiffs seeking to represent a class of Synergen warrant holders who claim to have been deprived of the benefit of their warrants, includes a request for general damages in the sum of \$34.3 million. The balance of the suits have been brought by plaintiffs who seek to represent a class of stockholders of Synergen common stock. These plaintiffs seek an unspecified amount of compensatory damages, an order rescinding the Acquisition and related equitable relief based upon allegations that the defendants breached their fiduciary duties by failing to maximize stockholder value and defrauded the plaintiffs by omitting to disclose allegedly material information concerning Synergen's future prospects.

ANTRIL(TM) litigation

Several lawsuits have been filed against Synergen alleging misrepresentations in connection with its research and development of ANTRIL(TM) for the treatment of sepsis. One suit brought by three Synergen stockholders alleges violations of state securities laws, fraud and misrepresentation and seeks an unspecified amount of compensatory damages and punitive damages. Another suit, proposed as a class action, filed by a limited partner of a partnership with which Synergen is affiliated, seeks rescission of certain payments made to one of the defendants (or unspecified damages not less than \$50.0 million) and treble damages based on a variety of allegations.

While it is not possible to predict accurately or determine the eventual outcome of the Johnson & Johnson arbitration, the Synergen litigation or various other legal proceedings (including patent disputes) involving Amgen, the Company believes that the outcome of these proceedings will not have a material adverse effect on its financial statements.

5. Stockholders' equity

During the three months ended March 31, 1995, the Company repurchased 1.2 million shares of its common stock at a total cost of \$75.2 million under its common stock repurchase program. At March 31, 1995, \$256.0 million of the amount approved by the Board of Directors remained available for repurchase through December 31, 1995. Stock repurchased under the program has been retired and such repurchases offset the dilutive effect of the Company's stock option and stock purchase plans.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

Cash provided by operating activities has been and is expected to continue to be the Company's primary source of funds. During the three months ended March 31, 1995, operations provided \$156.3 million of cash compared with \$116.7 million during the same period last year. The Company had cash, cash equivalents and marketable securities of \$767.4 million at March 31, 1995, compared with \$696.7 million at December 31, 1994.

Capital expenditures totaled \$25.0 million for the three months ended March 31, 1995, compared with \$37.0 million for the same period a year ago. Over the next few years, the Company expects to spend approximately \$100.0 million to \$200.0 million per year on capital projects to expand the Company's global operations.

The Company receives cash from the exercise of employee stock options. During the three months ended March 31, 1995, stock options and their related tax benefits provided \$29.5 million of cash compared with \$9.7 million for the period last year. Proceeds from the exercise of stock options and their related tax benefits will vary from period to period based upon fluctuations in the market value of the Company's stock relative to the exercise price of such options, among other factors.

The Company has a common stock repurchase program to offset the dilutive effect of its employee benefit stock option and stock purchase plans. Since its inception in 1992 through March 31, 1995, the Company has repurchased \$669.0 million of its common stock and is authorized to purchase up to an additional \$256.0 million through December 31, 1995. During the three months ended March 31, 1995, the Company purchased 1.2 million shares of common stock at a cost of \$75.2 million compared with 1.8 million shares purchased at a cost of \$75.1 million during the same period last year.

To provide for financial flexibility and increased liquidity, the Company has established several sources of debt financing. The Company has filed a shelf registration statement with the Securities and Exchange Commission under which it could issue up to \$200.0 million of Medium Term Notes. At March 31, 1995, \$113.0 million of Medium Term Notes were outstanding which mature in two to eight years. The Company has a commercial paper program which provides for short-term borrowings up to an aggregate face amount of \$200.0 million. At March 31, 1995, \$99.3 million of commercial paper was outstanding, all with maturities of less than three months. The Company also has a \$150.0 million revolving line of credit, principally to support the Company's commercial paper program. No borrowings on this line of credit were outstanding at March 31, 1995.

The Company invests its cash in accordance with a policy that seeks to maximize returns while ensuring both liquidity and minimal risk of principal loss. The policy limits investments to certain

types of instruments issued by institutions with investment grade credit ratings, and places restrictions on maturities and concentration by type and issuer. The Company's fixed income investments are subject to the risk of market interest rate fluctuations, and all of the Company's investments are subject to risks associated with the ability of the issuers to perform their obligations under the instruments.

The Company has a program to manage certain portions of its exposure to fluctuations in foreign currency exchange rates. These exposures primarily result from European sales. The Company hedges the related receivables with foreign currency forward contracts, all of which mature within six months. The Company uses foreign currency option and forward contracts which generally expire within 12 months to hedge certain anticipated future cash flows related to these sales. At March 31, 1995, outstanding option and forward contracts totaled \$24.4 million and \$73.0 million, respectively.

The Company believes that existing funds, cash generated from operations, and existing sources of debt financing will be adequate to satisfy its working capital and capital expenditure requirements and to support its common stock repurchase program for the foreseeable future. However, the Company may raise additional capital from time to time to take advantage of favorable conditions in the markets or in connection with the Company's corporate development activities.

Results of Operations

Product sales

Product sales increased \$65.5 million or 19% for the three months ended March 31, 1995, compared with the same period last year.

NEUPOGEN(R) (Filgrastim)

NEUPOGEN(R) sales were \$212.4 million for the three months ended March 31, 1995, an increase of \$30.7 million or 17% over the same period last year.

Domestic sales of NEUPOGEN(R) were \$147.3 million for the three months ended March 31, 1995, an increase of \$15.3 million or 12% over the same period last year. This increase is primarily due to increased penetration of the market for colony-stimulating factors.

Quarterly NEUPOGEN(R) sales volume in the United States is influenced by a number of factors including underlying demand, seasonality of cancer chemotherapy administration and wholesaler inventory management practices. Wholesaler inventory reductions tend to reduce NEUPOGEN(R) sales in the first quarter.

International sales of NEUPOGEN(R), primarily in Europe, were \$65.0 million for the three months ended March 31, 1995, an increase of \$15.4 million or 31% over the same period last year. Three factors, each contributing approximately one third of reported sales

growth, account for this increase: increased market penetration, the favorable effects of strengthened foreign currencies, and Austria, Sweden, and Finland joining the European Union ("EU"). Prior to the entry of Austria, Sweden, and Finland into the EU on January 1, 1995, F. Hoffmann La Roche, Amgen's licensee, paid the Company royalties on sales in these countries. The Company's overall share of the colony-stimulating factor market in the EU has decreased slightly following the introduction of a competing G-CSF product by Rhone Poulenc Rorer and Chugai Pharmaceutical Co., Ltd. in 1994.

The Company believes that 1995 worldwide NEUPOGEN(R) sales will continue to grow at a double digit rate but lower than the 1994 growth rate. NEUPOGEN(R) sales increases are primarily dependent upon further penetration of existing markets, the timing and nature of additional indications for which the product may be approved, and the effects of competitive products. In addition, international NEUPOGEN(R) sales will continue to be subject to changes in foreign currency exchange rates and increased competition.

EPOGEN(R) (Epoetin alfa)

EPOGEN(R) sales were \$198.9 million for the three months ended March 31, 1995, an increase of \$34.8 million or 21% over the same period last year. This increase is primarily due to an increase in the U.S. dialysis patient population, the administration of higher doses of EPOGEN(R) per patient, and increased penetration of the dialysis market. The Company anticipates that increases in the U.S. dialysis patient population and increases in dosing will continue to drive EPOGEN(R) sales. The annual growth rate for 1995 is expected to be in double digits but lower than the 1994 growth rate. In addition, the continued growth in sales volume may be affected by future changes in reimbursement rates or the basis for reimbursement by the federal government.

Cost of sales

Cost of sales as a percentage of product sales was 16.2% and 15.4% for the three months ended March 31, 1995 and 1994, respectively. The increase in cost of sales as a percentage of product sales is primarily the result of current year period sales of inventory with higher unit costs which were manufactured in smaller production runs at the Company's Puerto Rico fill-and-finish facility. Cost of sales as a percentage of product sales is expected to slightly decline in the second half of the current year when lower unit cost inventories are sold.

Research and development

During the three months ended March 31, 1995, research and development expenses increased \$40.2 million or 54% compared with the same period last year. This increase is primarily due to a \$20 million signing payment due The Rockefeller University for an exclusive license to certain technologies and an expansion of the Company's internal research and development staff, partially as a result of the acquisition of Synergen, Inc. ("Synergen"). Annual research and development expenses are expected to increase at a rate

exceeding the anticipated annual product sales growth rate due to planned increases in internal efforts on new product discovery and development and increases in external research collaboration costs, including acquisitions of product and technology rights.

Marketing and selling

Marketing and selling expenses increased \$5.6 million or 11% during the three months ended March 31, 1995 compared with the same period last year. This increase primarily reflects marketing efforts to improve NEUPOGEN(R) market penetration and EPOGEN(R) marketing efforts to bring more patients within the target hematocrit range. The future growth rate of marketing and selling expenses is expected to be lower than the anticipated annual product sales growth rate.

General and administrative

General and administrative expenses increased \$6.3 million or 22% during the three months ended March 31, 1995 compared with the same period last year. This increase is primarily due to higher legal and staff-related expenses. The future growth rate of general and administrative expenses is expected to be less than the anticipated annual product sales growth rate.

Interest and other income

Interest and other income increased \$7.4 million or 134% during the three months ended March 31, 1995 compared with the same period last year. This increase is primarily due to capital losses incurred in the Company's investment portfolio during the first quarter of 1994 but not in the current year period. These capital losses resulted from the sale of certain fixed income investments which had declined in market value because of the increase in interest rates.

Income taxes

The Company's effective tax rate for the three months ended March 31, 1995 was 32.9% compared with 38.2% for the same period last year. The decrease in the tax rate is due to tax benefits from the sale of products manufactured in the Puerto Rico fill-and-finish facility which began in the first quarter of 1995. These tax benefits are expected to result in an annualized effective tax rate of 32%-34%.

Legal Matters

The Company is engaged in arbitration proceedings with one of its licensees and various legal proceedings relating to Synergen. For a discussion of these matters see Note 4 to the Condensed Consolidated Financial Statements.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is engaged in arbitration proceedings with one of its licensees. For a complete discussion of this matter see Note 4 to the Consolidated Financial Statements - "Johnson & Johnson arbitration". Other legal proceedings are discussed below. While it is not possible to predict accurately or to determine the eventual outcome of these matters, the Company believes that the outcome of these legal proceedings will not have a material adverse effect on the financial statements of the Company.

Synergen litigation

Acquisition litigation

The Company and its wholly-owned subsidiary, Amgen Boulder Inc. (formerly Synergen, Inc.) have been named as defendants in several lawsuits filed in connection with the Company's December 1994 acquisition of Synergen (the "Acquisition"). One suit, Stanley, et al. v. Soll, et al., was filed on November 18, 1994 by two stockholders in the Court of Chancery of the State of Delaware in New Castle County against Synergen and certain of its former officers and directors. Plaintiffs, who seek to represent a class of stockholders of Synergen common stock, allege that the defendants breached their fiduciary duties by failing to maximize stockholder value. Plaintiffs seek an unspecified amount of compensatory damages, an order rescinding the Acquisition, and related equitable relief. Other stockholders seeking the same relief filed suits on November 23 and 29, 1994 and February 28, 1995 in United States District Court, County of Boulder, State of Colorado. In *Livergood v. Synergen, Inc., et al.*, *Weld, et al. v. Amgen Inc., et al.*, and *Reineke v. Synergen, Inc., et al.*, the plaintiffs allege that defendants Synergen, Amgen and certain of Synergen's former officers and directors breached their fiduciary duties and defrauded the plaintiffs by omitting to disclose allegedly material information concerning Synergen's future prospects. Plaintiffs in these cases seek to represent a class of stockholders of Synergen common stock. On March 8, 1995, the *Livergood* and *Weld* actions were consolidated, and the plaintiff in the *Reineke* case also seeks consolidation. Another suit, *Glick v. Synergen, Inc., et al.*, was filed in the Superior Court of the State of California, County of Los Angeles, as a class action on January 24, 1995 by plaintiffs who seek to represent all warrant holders of Synergen who claim to have been deprived of the benefit of their warrants. Plaintiffs seek general damages in the sum of \$34.3 million against Synergen, Amgen and former officers and directors of Synergen based on allegations of conspiracy, breach of duty, self-dealing, interference with prospective business advantage and unjust enrichment. On April 18, 1995, this suit was dismissed with leave to amend.

ANTRIL(TM) litigation

Several lawsuits have been filed against Synergen alleging misrepresentations in connection with its research and development of

ANTRIL(TM) for the treatment of sepsis. In Temple, et al. v. Synergen, Inc., et al., three stockholders filed suit on November 15, 1994 in the District Court for the City and County of Denver, State of Colorado, against Synergen and a former director and executive officer, alleging violations of state securities law, fraud and misrepresentation. Plaintiffs seek an unspecified amount of compensatory damages and punitive damages. In Johnson v. Amgen Boulder, Inc., et al., suits filed on February 14, 1995 in the Superior Court for the State of Washington, King County and in the United States District Court for the Western District of Washington, plaintiff seeks rescission of certain payments made to one of the defendants (or unspecified damages not less than \$50.0 million) and treble damages. Plaintiff, a limited partner of defendant Synergen Clinical Partners, L.P., seeks to represent a class of other limited partners. The complaints allege violations of federal and state securities laws, violations of other federal and state statutes, fraud, negligence, breach of contract, conspiracy and breach of fiduciary duty. The defendants include Synergen, Synergen Clinical Partners, L.P., Synergen Development Corporation and former officers and directors of Synergen. The Superior Court action has been removed to federal court and consolidated with the suit filed in the United States District Court for the Western District of Washington.

Elanex Pharmaceuticals litigation

In October 1993, the Company filed a complaint for patent infringement against defendants Elanex Pharmaceuticals, Inc. ("Elanex"), Laboratorios Elanex De Costa Rica, S. A., Bio Sidus S.A., Merckle GmbH, Biosintetica S. A. and other unknown defendants. The complaint, filed in the United States District Court for the Western District of Washington at Seattle, seeks injunctive relief and damages for Elanex's infringement of the Company's patent for DNA sequences and host cells useful in producing recombinant erythropoietin. The complaint also alleges that the foreign defendants entered into agreements with Elanex relating to the production or sale of recombinant erythropoietin and thereby have induced Elanex's infringement.

In December 1993, Elanex responded to the complaint denying the material allegations thereof, and filed a counterclaim seeking a declaratory judgment that the Company's patent is invalid and that Elanex's recombinant erythropoietin technology does not infringe any valid claims of the Company's patent. The counterclaim also seeks an award of reasonable attorneys' fees and other costs of defense but does not seek damages against the Company. The case is currently in discovery.

Erythropoietin patent litigation

Amgen has been engaged in litigation (the "Amgen suit") with Genetics Institute, Inc. ("Genetics Institute") and its commercial partner, Chugai Pharmaceutical Co., Ltd., regarding the infringement of Amgen's patent on the DNA sequence used in the production of erythropoietin (the "Amgen Patent") and the infringement by Amgen's erythropoietin product of a patent held by Genetics Institute.

Genetics Institute and the Company announced on May 11, 1993 that they agreed to settle all outstanding patent disputes between them regarding erythropoietin in the United States. As part of the settlement, Genetics Institute paid the Company \$13.9 million during the quarter ended September 30, 1993. An additional \$2 million may be paid to the Company contingent upon the outcome of certain future events. As a result of the settlement of the litigation, Amgen expects to receive patents on the process for producing recombinant erythropoietin and on the recombinant erythropoietin product.

In August 1991, Johnson & Johnson, together with eleven of Johnson & Johnson's Cilag European subsidiaries, filed a suit in the United States District Court for the District of Massachusetts in Boston, the site of the Amgen suit against Genetics Institute (the "Boston Court"), seeking damages from Genetics Institute for infringement of the Amgen Patent (the "Johnson & Johnson suit") and moved to consolidate the Johnson & Johnson suit with the original suit filed by Amgen. The two suits were consolidated by the Boston Court. Amgen was allowed to intervene in the Johnson & Johnson suit for the limited purpose of seeking a summary judgment dismissing the Johnson & Johnson suit. In December 1992, the Boston Court determined that Johnson & Johnson had no standing to sue Genetics Institute and entered judgment and dismissed the Johnson & Johnson suit. Also, in December 1992, the Boston Court denied motions by Johnson & Johnson to intervene in the Amgen suit for the limited purpose of seeking a summary judgment limiting Amgen's damages against Genetics Institute. Johnson & Johnson appealed the Boston Court's December 1992 rulings, and on April 5, 1995, the U.S. Court of Appeals for the Federal Circuit upheld the December 1992 rulings.

Genetics Institute litigation

On June 21, 1994, Genetics Institute filed suit in the United States District Court for the District of Delaware in Wilmington, against Johnson & Johnson, a licensee and distributor of the Company, seeking damages for the alleged infringement of a recently issued U.S. Patent 5,322,837 relating to Johnson & Johnson's manufacture, use, and sale of erythropoietin.

On September 12, 1994, the Company filed suit in the United States District Court for the District of Massachusetts in Boston, against Genetics Institute, seeking declaratory judgment of patent non-infringement, invalidity and unenforceability against Genetics Institute in respect to U.S. Patent 5,322,837 issued to Genetics Institute, which relates to homogeneous erythropoietin. Genetics Institute answered the complaint and filed a counterclaim against the Company alleging infringement of the same patent. On February 14, 1995, the United States District Court for the District of Massachusetts granted Amgen's motion for a summary judgment enforcing a prior judgment against Genetics Institute and barring Genetics Institute from asserting its U.S. Patent 5,322,837 against Amgen's recombinant erythropoietin. On March 13, 1995, Genetics Institute filed notice of appeal.

Biogen litigation

On June 15, 1994, Biogen, Inc. ("Biogen") filed suit in the Tokyo District Court in Japan, against Amgen K.K., a subsidiary of the Company, seeking injunctive relief for the alleged infringement of two Japanese patents relating to alpha-interferon.

On March 10, 1995, Biogen filed suit in the United States District Court for the District of Massachusetts seeking an unspecified amount of compensatory damages, treble damages and injunctive relief of its U.S. Patent 4,874,702 relating to vectors for expressing cloned genes. Biogen alleges that Amgen has infringed its patent by manufacturing and selling NEUPOGEN(R).

Item 6. Exhibits and Reports on Form 8-K

- (a) Reference is made to the Index to Exhibits included herein.
- (b) Reports on Form 8-K

The Company filed a report on Form 8-K dated February 21, 1995 reporting an amendment to its Rights Agreement, dated as of January 24, 1989, between Amgen Inc. and American Stock Transfer & Trust Company, as Rights Agent, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Amgen Inc.
(Registrant)

Date: 5/12/95

By: /s/ Robert S. Attiyeh

Robert S. Attiyeh
Senior Vice President, Finance
and Corporate Development, and
Chief Financial Officer

Date: 5/12/95

By: /s/ Larry A. May

Larry A. May
Vice President, Corporate
Controller and Chief
Accounting Officer

AMGEN INC.

INDEX TO EXHIBITS

Exhibit No.	Description
3.1	Restated Certificate of Incorporation. (7)
3.2	Certificate of Amendment to Restated Certificate of Incorporation, effective as of July 24, 1991. (14)
3.3	Bylaws, as amended to date. (20)
4.1	Indenture dated January 1, 1992 between the Company and Citibank N.A., as trustee. (15)
4.2	Forms of Commercial Paper Master Note Certificates. (19)
10.1*	Company's 1991 Equity Incentive Plan, as amended. (16)
10.2*	Company's 1984 Stock Option Plan, as amended, and forms of Incentive Stock Option Grant and Nonqualified Stock Option Grant used in connection therewith. (16)
10.3	Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984, between the Company and Kirin Brewery Company, Limited (with certain confidential information deleted therefrom). (1)
10.4	Amendment Nos. 1, 2, and 3, dated March 19, 1985, July 29, 1985 and December 19, 1985, respectively, to the Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984 (with certain confidential information deleted therefrom). (3)
10.5	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated September 30, 1985 between the Company and Ortho Pharmaceutical Corporation (with certain confidential information deleted therefrom). (2)
10.6	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated September 30, 1985 between Kirin-Amgen, Inc. and Ortho Pharmaceutical Corporation (with certain confidential information deleted therefrom). (3)
10.7*	Company's Employee Stock Purchase Plan, amended April 1, 1992. (17)
10.8	Agreement, dated February 12, 1986, between the Company and Sloan-Kettering Institute for Cancer Research (with certain confidential information deleted therefrom). (4)
10.9	Amendment No. 2, dated November 13, 1990, to Agreement, dated February 12, 1986, between the Company and Sloan-Kettering Institute for Cancer Research (with certain confidential information deleted therefrom). (13)
10.10	Research, Development Technology Disclosure and License Agreement PPO, dated January 20, 1986, by and between the Company and Kirin Brewery Co., Ltd. (4)
10.11	Research Collaboration Agreement, dated August 31, 1990, between Amgen Inc. and Regeneron Pharmaceuticals, Inc. (with certain confidential information deleted therefrom). (13)
10.12	Amendment Nos. 4 and 5, dated October 16, 1986 (effective July 1, 1986) and December 6, 1986 (effective

- July 1, 1986), respectively, to the Shareholders Agreement of Kirin-Amgen, Inc. dated May 11, 1984 (with certain confidential information deleted therefrom). (5)
- 10.13 Assignment and License Agreement, dated October 16, 1986, between the Company and Kirin-Amgen, Inc. (with certain confidential information deleted therefrom). (5)
- 10.14 G-CSF European License Agreement, dated December 30, 1986, between Kirin-Amgen, Inc. and the Company (with certain confidential information deleted therefrom). (5)
- 10.15 Research and Development Technology Disclosure and License Agreement: GM-CSF, dated March 31, 1987, between Kirin Brewery Company, Limited and the Company (with certain confidential information deleted therefrom). (5)
- 10.16* Company's 1987 Directors' Stock Option Plan, as amended. (13)
- 10.17 Cross License Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
- 10.18 Development Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
- 10.19 Joint Venture Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
- 10.20 Partnership Purchase Option Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
- 10.21* Company's 1988 Stock Option Plan, as amended. (16)
- 10.22* Company's Retirement and Savings Plan, amended and restated as of January 1, 1993. (17)
- 10.23 Amendment, dated June 30, 1988, to Research, Development, Technology Disclosure and License Agreement: GM-CSF dated March 31, 1987, between Kirin Brewery Company, Limited and the Company. (7)
- 10.24 Amending Agreement, dated June 30, 1988, to Development Agreement, Partner Purchase Option Agreement, Cross License Agreement and Joint Venture Agreement, dated June 1, 1987, between the Company and Amgen Clinical Partners, L.P. (7)
- 10.25 Agreement on G-CSF in the EU, dated September 26, 1988, between Amgen Inc. and F. Hoffmann-La Roche & Co. Limited Company (with certain confidential information deleted therefrom). (9)
- 10.26 Supplementary Agreement to Agreement dated January 4, 1989 to Agreement on G-CSF in the EU, dated September 26, 1988, between the Company and F. Hoffmann-La Roche & Co. Limited Company, (with certain confidential information deleted therefrom). (9)
- 10.27 Agreement on G-CSF in Certain European Countries, dated January 1, 1989, between Amgen Inc. and F. Hoffmann-La Roche & Co. Limited Company (with certain confidential information deleted therefrom). (9)
- 10.28 Rights Agreement, dated January 24, 1989, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (8)
- 10.29 First Amendment to Rights Agreement, dated January 22, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (11)

- 10.30 Second Amendment to Rights Agreement, dated April 2, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (12)
- 10.31 Credit Agreement, dated as of November 15, 1991, among Amgen Inc., The Borrowing Subsidiaries therein named, the Banks therein named, Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents. (17)
- 10.32 Deed of Trust and Security Agreement, dated June 1, 1989, between the Company and UNUM Life Insurance Company of America. (10)
- 10.33 Note, dated June 1, 1989, between the Company and UNUM Life Insurance Company of America. (10)
- 10.34 Agency Agreement, dated November 21, 1991, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (17)
- 10.35 Agency Agreement, dated May 21, 1992, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (17)
- 10.36 Guaranty, dated July 29, 1992, by the Company in favor of Merck Sharp & Dohme Quimica de Puerto Rico, Inc. (17)
- 10.37 936 Promissory Note No. 01, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (17)
- 10.38 936 Promissory Note No. 02, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (17)
- 10.39 936 Promissory Note No. 001, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (17)
- 10.40 936 Promissory Note No. 002, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (17)
- 10.41 Guaranty, dated November 21, 1991, by the Company in favor of Citicorp Financial Services Corporation. (17)
- 10.42 First Amendment, dated as of June 16, 1992, to the Credit Agreement, dated as of November 15, 1991, among Amgen Inc., The Borrowing Subsidiaries therein named, the Banks therein named, Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents. (17)
- 10.43 Second Amendment, dated as of November 6, 1992, to the Credit Agreement, dated as of November 15, 1991, among Amgen Inc., The Borrowing Subsidiaries therein named, the Banks therein named, Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents. (17)
- 10.44 Lease and Agreement relating to Lease, dated March 27, 1986 and April 1, 1986, respectively, for 2003 Oak Terrace Lane between 2001 Hillcrest Partnership and the Company. (20)
- 10.45 Partnership Purchase Agreement, dated March 12, 1993, between the Company, Amgen Clinical Partners, L.P., Amgen Development Corporation, the Class A limited partners and the Class B limited partner. (18)
- 10.46* Amgen Supplemental Retirement Plan dated June 1, 1993. (21)
- 10.47 Promissory Note of Mr. Kevin W. Sharer, dated June 4, 1993. (21)

- 10.48 Amendment No. 3 dated June 25, 1993 to the Credit Agreement, dated November 15, 1991, among the Company, The Borrowing Subsidiaries therein named, the Banks therein named, the Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents. (21)
- 10.49 Promissory Note of Mr. Larry A. May, dated February 24, 1993. (22)
- 10.50* First Amendment dated October 26, 1993 to the Company's Retirement and Savings Plan. (22)
- 10.51* Amgen Performance Based Management Incentive Plan. (22)
- 10.52 Fourth Amendment, dated as of June 24, 1994, to the Credit Agreement, dated November 15, 1991, among the Company, The Borrowing Subsidiaries therein named, the Banks therein named, the Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents. (23)
- 10.53 Agreement and Plan of Merger, dated as of November 17, 1994, among Amgen Inc., Amgen Acquisition Subsidiary, Inc. and Synergen, Inc. (24)
- 10.54 Third Amendment to Rights Agreement, dated as of February 21, 1995, between Amgen Inc. and American Stock Transfer Trust and Trust Company (25)
- 11 Computation of per share earnings.
- 27 Financial Data Schedule.

* Management contract or compensatory plan or arrangement.

- (1) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1984 on June 26, 1984 and incorporated herein by reference.
- (2) Filed as an exhibit to Quarterly Report on Form 10-Q for the quarter ended September 30, 1985 on November 14, 1985 and incorporated herein by reference.
- (3) Filed as an exhibit to Quarterly Report on Form 10-Q for the quarter ended December 31, 1985 on February 3, 1986 and incorporated herein by reference.
- (4) Filed as an exhibit to Amendment No. 1 to Form S-1 Registration Statement (Registration No. 33-3069) on March 11, 1986 and incorporated herein by reference.
- (5) Filed as an exhibit to the Form 10-K Annual Report for the year ended March 31, 1987 on May 18, 1987 and incorporated herein by reference.
- (6) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1987 on August 12, 1987 and incorporated herein by reference.
- (7) Filed as an exhibit to Form 8 amending the Quarterly Report on Form 10-Q for the quarter ended June 30, 1988 on August 25, 1988 and incorporated herein by reference.
- (8) Filed as an exhibit to the Form 8-K Current Report dated January 24, 1989 and incorporated herein by reference.
- (9) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1989 on June 28, 1989 and incorporated herein by reference.

- (10) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1989 on August 14, 1989 and incorporated herein by reference.
- (11) Filed as an exhibit to the Form 8-K Current Report dated January 22, 1991 and incorporated herein by reference.
- (12) Filed as an exhibit to the Form 8-K Current Report dated April 12, 1991 and incorporated herein by reference.
- (13) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1991 on July 1, 1991 and incorporated herein by reference.
- (14) Filed as an exhibit to the Form 8-K Current Report dated July 24, 1991 and incorporated herein by reference.
- (15) Filed as an exhibit to Form S-3 Registration Statement dated December 19, 1991 and incorporated herein by reference.
- (16) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1991 on March 30, 1992 and incorporated herein by reference.
- (17) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1992 on March 30, 1993 and incorporated herein by reference.
- (18) Filed as an exhibit to the Form 8-A dated March 31, 1993 and incorporated herein by reference.
- (19) Filed as an exhibit to the Form 10-Q for the quarter ended March 31, 1993 on May 17, 1993 and incorporated herein by reference.
- (20) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1993 on August 16, 1993 and incorporated herein by reference.
- (21) Filed as an exhibit to the Form 10-Q for the quarter ended September 30, 1993 on November 12, 1993 and incorporated herein by reference.
- (22) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1993 on March 25, 1994 and incorporated herein by reference.
- (23) Filed as an exhibit to the Form 10-Q for the ended September 30, 1994 on November 9, 1994 and incorporated herein by reference.
- (24) Filed as an exhibit to the Form 8-K Current Report dated November 18, 1994 on December 2, 1994 and incorporated herein by reference.
- (25) Filed as an exhibit to the Form 8-K Current Report dated February 21, 1995 on March 7, 1995 and incorporated herein by reference.

AMGEN INC.

COMPUTATION OF PER SHARE EARNINGS
PRIMARY COMPUTATION(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	1995	1994
	-----	-----
Net income.....	\$108,624	\$ 93,460
	=====	=====
Applicable common and common stock equivalent shares:		
Weighted average shares of common stock outstanding during the period.....	132,606	133,961
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options and warrants.....	7,146	7,410
	-----	-----
Weighted average shares of common stock and common stock equivalents outstanding during the period.....	139,752	141,371
	=====	=====
Earnings per common share primary.....	\$.78	\$.66
	=====	=====

EXHIBIT 11

AMGEN INC.

COMPUTATION OF PER SHARE EARNINGS
FULLY DILUTED COMPUTATION(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	1995	1994
	-----	-----
Net income.....	\$108,624	\$ 93,460
	=====	=====
Applicable common and common stock equivalent shares:		
Weighted average shares of common stock outstanding during the period.....	132,606	133,961
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options and warrants.....	7,525	7,410
	-----	-----
Weighted average shares of common stock and common stock equivalents outstanding during the period.....	140,131	141,371
	=====	=====
Earnings per common share fully diluted.....	\$.78	\$.66
	=====	=====

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QTR-1
DEC-31-1995
MAR-31-1995
199,024
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108,624
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0.78