SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1997

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 June 30, 1997, the registrant had 265,136,353 shares of Common Stock, $.0001 par value, outstanding.

AMGEN INC.

INDEX

Page No.

PART I FINANCIAL INFORMATION

Item 1.Financial Statements 3

Condensed Consolidated Statements of Operations - three and six months ended June 30, 1997 and 1996 4

Condensed Consolidated Balance Sheets - June 30, 1997 and December 31, 1996 5

Condensed Consolidated Statements of Cash Flows - six months ended June 30, 1997 and 1996 6-7

Notes to Condensed Consolidated Financial Statements 8-16

Item 2.Management's Discussion and Analysis of Financial Condition and Results of Operations 17-23

PART II OTHER INFORMATION

Item 1.Legal Proceedings 23

Item 4.Submission of Matters to a Vote of of Security Holders 27

Item 6.Exhibits and Reports on Form 8-K 28

Signatures.....29

Index to Exhibits.....30

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information in this report for the three and six months ended June 30, 1997 and 1996 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 consolidated 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 year ended December 31, 1996.

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

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
Revenues:				
Product sales	$566.7	$518.9	$1,102.7	$ 995.8
Corporate partner revenues	40.0	42.0	67.4	63.8
Royalty income	13.8	10.5	25.9	19.7
Total revenues	620.5	571.4	1,196.0	1,079.3
Operating expenses:				
Cost of Sales	76.8	68.3	148.8	135.2
Research and development	145.4	123.6	293.1	254.2
Marketing and selling	81.8	78.5	149.9	146.1
General and administrative	43.7	37.8	88.1	77.0
Loss of affiliates, net	12.1	14.9	20.6	28.2
Total operating expenses	359.8	323.1	700.5	640.7
Operating income	260.7	248.3	495.5	438.6
Other income (expense):				
Interest and other income	18.0	12.2	33.9	31.2
Interest expense, net	(0.4)	(1.7)	(0.7)	(4.0)
Total other income (expense)	17.6	10.5	33.2	27.2
Income before income taxes	278.3	258.8	528.7	465.8
Provision for income taxes	77.8	80.1	147.9	143.5
Net income	$200.5	$178.7	$ 380.8	$ 322.3
Earnings per share:				
Primary	$0.72	$0.64	$1.37	$1.14
Fully diluted	$0.72	$0.64	$1.37	$1.14
Shares used in calculation of earnings per share:				
Primary	277.5	280.9	277.8	282.2
Fully diluted	277.5	280.9	277.8	282.2

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

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

	June 30, 1997	December 31, 1996
ASSETS		
Current assets:		
Cash and cash equivalents	$ 331.0	$ 169.3
Marketable securities	894.0	907.7
Trade receivables, net	228.8	225.4
Inventories	105.6	97.4
Other current assets	86.2	102.8
Total current assets	1,645.6	1,502.6
Property, plant and equipment at cost, net	1,045.4	910.5
Investments in affiliated companies	111.7	109.6
Other assets	240.6	242.9
	$3,043.3	$2,765.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 82.6	$ 75.0
Accrued liabilities	440.5	449.7
Current portion of long-term debt	65.0	118.2
Total current liabilities	588.1	642.9
Long-term debt	134.0	59.0
Put warrants	51.6	157.4
Commitments and contingencies		
Stockholders' equity:		
Common stock, and additional paid-in capital; $.0001 par value; 750 shares authorized; outstanding - 265.1 shares in 1997 and 264.7 shares in 1996	1,114.5	1,026.9
Retained earnings	1,155.1	879.4
Total stockholders' equity	2,269.6	1,906.3
	$3,043.3	$2,765.6

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
(Unaudited)

	Six Months Ended June 30,	
	1997	1996
Cash flows from operating activities:		
Net income	$380.8	$322.3
Depreciation and amortization	65.1	54.9
Loss of affiliates, net	20.6	28.2
Cash provided by (used in):		
Trade receivables, net	(3.4)	0.5
Inventories	(8.2)	(3.0)
Other current assets	16.6	8.2
Accounts payable	7.6	(1.4)
Accrued liabilities	(9.2)	(14.4)
Net cash provided by operating activities	469.9	395.3
Cash flows from investing activities:		
Purchases of property, plant and equipment	(195.0)	(92.7)
Proceeds from maturities of marketable securities	184.3	129.9
Proceeds from sales of marketable securities	312.4	449.6
Purchases of marketable securities	(483.0)	(393.7)
Decrease (increase) in investments in affiliated companies	3.2	(5.5)
Increase in other assets	(2.7)	(65.7)
Net cash (used in) provided by investing activities	(180.8)	21.9

See accompanying notes.

(Continued on next page)

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In millions)
(Unaudited)

	Six Months Ended June 30,	
	1997	1996
Cash flows from financing activities:		
Repayment of long-term debt	$(78.2)	$ -
Proceeds from issuance of long-term debt	100.0	-
Decrease in commercial paper	-	(69.7)
Net proceeds from issuance of common stock upon the exercise of stock options	59.0	45.7
Tax benefits related to stock options	28.6	15.8
Repurchases of common stock	(210.9)	(234.8)
Other	(25.9)	(26.7)
Net cash used in financing activities	(127.4)	(269.7)
Increase in cash and cash equivalents	161.7	147.5
Cash and cash equivalents at beginning of period	169.3	66.7
Cash and cash equivalents at end of period	$331.0	$214.2

See accompanying notes.

AMGEN INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1997

1. Summary of significant accounting policies

Business

Amgen Inc. ("Amgen" or the "Company") is a global biotechnology company that discovers, develops, manufactures and markets human therapeutics based on advances in 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% or less owned and 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 millions):

	June 30, 1997	December 31, 1996
Raw materials	$ 14.8	$15.9
Work in process	49.8	56.2
Finished goods	41.0	25.3
	$105.6	$97.4

Product sales

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

Quarterly NEUPOGEN(R) sales volume in the United States is influenced by a number of factors including underlying demand and wholesaler inventory management practices. Wholesaler inventory reductions tend to reduce domestic NEUPOGEN(R) sales in the first quarter each year. In addition, the discretionary aspects of some cancer chemotherapy administration has had a slight seasonal effect on NEUPOGEN(R) sales.

The Company has the exclusive right to sell Epoetin alfa for dialysis, diagnostics and all non-human uses in the United States. The Company sells Epoetin alfa under the brand name EPOGEN(R). Amgen has granted to Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson ("Johnson & Johnson"), a license relating to Epoetin alfa for sales in the United States for all human uses except dialysis and diagnostics. Pursuant to this license, Amgen does not recognize product sales it makes into the exclusive market of Johnson & Johnson and does recognize the product sales made by Johnson & Johnson into Amgen's exclusive market. These sales amounts, and adjustments thereto, are derived from Company shipments and from third-party data on shipments to end users and their usage (see Note 4, "Contingencies - Johnson & Johnson arbitrations").

Foreign currency transactions

The Company has a program to manage foreign currency risk. As part of this program, it has purchased foreign currency option and forward contracts to hedge against possible reductions in values of certain anticipated foreign currency cash flows generally over the next 12 months, primarily resulting from its sales in Europe. At June 30, 1997, the Company had option and forward contracts to exchange foreign currencies for U.S. dollars of $24.8 million and $22.8 million, respectively, all having maturities of seven months or less. The option contracts, which have only nominal intrinsic value at the time of purchase, are designated and effective as hedges of anticipated foreign currency transactions for financial reporting purposes, and accordingly, the net gains on such contracts are deferred and will be recognized in the same period as the hedged transactions. The forward contracts do not qualify as hedges for financial reporting purposes, and accordingly, are marked-to-market. Net gains on option contracts (including option contracts for hedged transactions whose occurrence are no longer probable) and changes in market values of forward contracts are reflected in interest and other income. The deferred premiums on option contracts and fair values of forward contracts are included in other current assets.

The Company has additional foreign currency forward contracts to hedge exposures to foreign currency fluctuations of certain receivables and payables denominated in foreign currencies. At June 30, 1997, the Company had forward contracts to exchange foreign currencies, primarily Swiss francs, for U.S. dollars of $54.6 million, all having maturities of six months or less. These contracts are designated and effective as hedges, and accordingly, gains and losses on these forward contracts are recognized in the same period the offsetting gains and losses of hedged assets and liabilities are realized and recognized. The fair values of the

forward contracts are included in the corresponding captions of the hedged assets and liabilities. Gains and losses on forward contracts, to the extent they differ in amount from the hedged receivables and payables, are included in interest and other income.

Income taxes

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

Stock option and purchase plans

The Company's stock options and purchase plans are accounted for under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees".

Earnings per share

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 are outstanding options under the Company's stock option plans which are included in the earnings per share computation under the treasury stock method. Put warrants on the Company's common stock may also be dilutive and included in earnings per share under the reverse treasury stock method.

In February 1997, SFAS No. 128, "Earnings Per Share" was issued and is required to be adopted on December 31, 1997. At that time, the Company will be required to change the method currently used to compute earnings per share and to restate all prior periods. Under the new requirements, primary and fully diluted earnings per share will be replaced with basic and diluted earnings per share. Basic earnings per share excludes the dilutive effect of stock options and will therefore be higher than primary earnings per share. Basic earnings per share for the three and six months ended June 30, 1997 were $.76 and $1.44, respectively. Basic earnings per share for the three and six months ended June 30, 1996 were $.67 and $1.21, respectively. Diluted earnings per share under the new standard is expected to be essentially the same as primary earnings per share amounts calculated under principles currently used.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Basis of presentation

The financial information for the three and six months ended June 30, 1997 and 1996 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.

2. Debt

During the first quarter of 1997, the Company paid off $78.2 million of maturing debt consisting of $28.2 million of promissory notes and $50 million of debt securities.

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

	June 30, 1997	December 31, 1996
Promissory notes	$ 40.0	$ 68.2
Debt securities	159.0	109.0
	199.0	177.2
Less current portion	(65.0)	(118.2)
	$134.0	$ 59.0

The Company has registered $213 million of unsecured debt securities of which $159 million were outstanding and none were available for issuance at June 30, 1997. At June 30, 1997, $59 million of these debt securities then outstanding bear interest at fixed rates averaging 5.8% and mature in approximately one to six years.

In April 1997, the Company issued the remaining $100 million of debt securities under its shelf registration which bear interest at a fixed rate of 8.1% and mature on April 1, 2097. These securities may be redeemed in whole or in part at the Company's option at any time for a redemption price equal to the greater of the principal amount to be redeemed or the sum of the present values of the principal and remaining interest payments discounted at a determined rate plus, in each case, accrued interest. These securities place limitations on liens and sale/leaseback transactions.

As of June 30, 1997, $150 million was available under the Company's line of credit for borrowing and to support the Company's commercial paper program. No borrowings on this line of credit were outstanding at June 30, 1997.

3. Income taxes

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
Federal(including U.S. possessions)...	$72.3	$72.8	$137.4	$130.1
State	5.5	7.3	10.5	13.4
	$77.8	$80.1	$147.9	$143.5

The decrease in the effective tax rate in the current year is the result of a favorable ruling received in the third quarter of 1996 from the Puerto Rican government with respect to tollgate taxes applicable to earnings in Puerto Rico.

4. Contingencies

Johnson & Johnson arbitrations

In September 1985, the Company granted Johnson & Johnson a license relating to certain patented technology and know-how of the Company to sell a genetically engineered form of recombinant human erythropoietin, called Epoetin alfa, throughout the United States for all human uses except dialysis and diagnostics. Johnson & Johnson sells Epoetin alfa under the brand name PROCRIT(R).

A number of disputes have arisen between Amgen and Johnson & Johnson as to their respective rights and obligations under the various agreements between them, including the agreement granting the license (the "License Agreement"). These disputes have been the subject of arbitration proceedings before Judicial Arbitration and Mediation Services, Inc. in Chicago, Illinois commencing in January 1989. A dispute that has not yet been resolved and is the subject of the current arbitration proceeding relates to the audit methodology currently employed by the Company for Epoetin alfa sales. The Company and Johnson & Johnson are required to compensate each other for Epoetin alfa sales which either party makes into the other party's exclusive market. The Company has established and is employing an audit methodology to assign the proceeds of sales of EPOGEN(R) and PROCRIT in Amgen's and Johnson & Johnson's respective exclusive markets. Based upon this audit methodology, the Company is seeking payment of approximately $12.6 million (excluding interest) from Johnson & Johnson for the period 1991 through 1994. Johnson & Johnson has disputed this methodology and is proposing an alternative methodology for adoption by the arbitrator pursuant to which it is seeking payment of approximately $423 million (including interest through December 1996) for the period 1989 through 1994. 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 audit 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 is 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. While it is impossible to predict accurately or determine the outcome of these proceedings, based primarily upon the merits of its claims and based upon certain liabilities established due to the inherent uncertainty of any arbitrated result, the Company believes that the outcome of these proceedings will not have a material adverse effect on its financial statements. A trial commenced in March 1996, regarding the audit methodologies and compensation for sales by Johnson & Johnson into Amgen's exclusive market and sales by Amgen into Johnson & Johnson's exclusive market. In December 1996, testimony in the arbitration ended. Final argument before the arbitrator on the parties' respective audit methodologies and claims occurred on May 19, 1997, whereafter the matter was fully briefed and submitted to the arbitrator for decision.

The Company has filed a demand in the arbitration to terminate Johnson & Johnson's rights under the License Agreement and to recover damages for breach of the License Agreement. Johnson & Johnson disputes Arbitrator McGarr's jurisdiction to decide the Company's demand. A hearing before Arbitrator McGarr on the Company's demand will be scheduled following his adjudication of the audit methodologies for Epoetin alfa sales.

On October 2, 1995, Johnson & Johnson filed a demand for a separate arbitration proceeding against the Company before the American Arbitration Association ("AAA") in Chicago, Illinois. Johnson & Johnson alleges in this demand that the Company has breached the License Agreement. The demand also includes allegations of various antitrust violations. In this demand, Johnson & Johnson seeks an injunction, declaratory relief, unspecified compensatory damages, punitive damages and costs. On October 27, 1995, the Company filed a complaint in the Circuit Court of Cook County, Illinois seeking an order compelling Johnson & Johnson to arbitrate the Company's claim for termination before Arbitrator McGarr as well as all related counterclaims asserted in Johnson & Johnson's October 2, 1995 AAA arbitration demand. The Company is unable to predict at this time the outcome of the demand for termination or when it will be resolved. The Company has filed a motion to stay the AAA arbitration pending the outcome of the existing arbitration proceedings before Judicial Arbitration and Mediation Services, Inc. discussed above. The Company has also filed an answer and counterclaim denying that AAA has jurisdiction to hear or decide the claims stated in the demand, denying the allegations in the demand and counter claiming for certain unpaid invoices.

On June 5, 1997, Ortho Biotech, Inc., a Johnson & Johnson affiliate, filed a demand for arbitration against Kirin-Amgen, Inc. ("Kirin-Amgen"), before the American Arbitration Association ("AAA").

The demand alleges that Amgen's novel erythropoiesis stimulating protein ("NESP") is covered by a license granted by Kirin-Amgen to Ortho Pharmaceutical Corporation in 1985 for the development, manufacture and sale of Epoetin alfa in certain territories outside the United States, Japan and China. In 1996 Kirin-Amgen acquired exclusive worldwide rights in NESP from Amgen. Kirin-Amgen, in turn, transferred certain rights in NESP to Kirin and certain rights to Amgen. Ortho Biotech alleges that Ortho Pharmaceutical's 1985 license agreement with Kirin-Amgen effectively grants Ortho Biotech the same right to develop, manufacture and sell NESP as Kirin-Amgen previously granted to Ortho Pharmaceutical in 1985 for the development, manufacture and sale of Epoetin alfa. On June 20, 1997 Kirin-Amgen initiated suit in the Circuit Court of Cook County, Illinois seeking a judicial determination of Ortho Biotech's standing to seek arbitration of claims under Kirin-Amgen's 1985 license agreement with Ortho Pharmaceutical. At the same time, Kirin-Amgen filed a motion with AAA to dismiss or stay the arbitration pending judicial resolution of Ortho Biotech's standing to arbitrate claims under Kirin-Amgen's license agreement with Ortho Pharmaceutical.

Synergen ANTRIL(TM) litigation

Lawsuits have been filed against the Company's wholly-owned subsidiary, Amgen Boulder Inc. (formerly Synergen, Inc.), alleging misrepresentations in connection with Synergen's research and development of ANTRIL(TM) for the treatment of sepsis. One suit, filed by a limited partner of the partnership with which Amgen Boulder Inc. is affiliated, has been certified as a class action. That suit seeks rescission of certain payments made by the limited partners to the partnership (or unspecified damages not less than $52 million) and treble damages based on a variety of allegations relating to state and federal law claims. The plaintiffs in that suit also have filed a second amended complaint alleging violations of federal securities laws. In August and September 1996, the parties filed cross-motions for summary judgement. The Court heard argument on November 1, 1996. Since then, the parties' representatives have reached a tentative settlement agreement which is subject to final approval by the Court and the approval of the limited partners of the partnership. Under its terms, the plaintiffs, who include present limited partners of the partnership, will receive $14.5 million in exchange for the transfer of ownership of their units; the suit will be dismissed with prejudice and the parties will exchange mutual releases. In a separate matter, on June 13, 1997, the parties in the matter Susquehanna Investment Group, et al. v. Amgen Boulder, Inc., et al., agreed to a settlement in that matter in which Amgen Boulder, Inc. agreed to pay $1 million in exchange for dismissal of the suit. On July 23, 1997, the lawsuit was dismissed with prejudice.

FoxMeyer Health Corporation

On January 10, 1997, FoxMeyer Health Corporation, now known as Avatex Corporation ("Avatex"), filed suit (the "FoxMeyer Lawsuit") in the District Court of Dallas County, Dallas, Texas, alleging that defendant McKesson Corporation ("McKesson") defrauded Avatex, misused

confidential information received from Avatex about subsidiaries of Avatex (FoxMeyer Corporation and FoxMeyer Drug Corporation, collectively the "FoxMeyer Subsidiaries"), and attempted to monopolize the market for pharmaceutical and health care product distribution by attempting to injure or destroy the FoxMeyer Subsidiaries. The Company is named as one of twelve "Manufacturer Defendants" alleged to have conspired with McKesson Corporation in doing, among other things, the above and (i) inducing Avatex to refrain from seeking other suitable purchasers for the FoxMeyer Subsidiaries and (ii) causing Avatex to believe that McKesson was serious about purchasing Avatex's assets at fair value, when, in fact, McKesson was not. The Manufacturer Defendants and McKesson are also alleged to have intentionally and tortiously interfered with a number of business expectancies and opportunities. The complaint seeks from the Manufacturer Defendants and McKesson compensatory damages of at least $400 million and punitive damages in an unspecified amount, as well as Avatex's costs and attorney's fees. On January 31, 1997, the Company filed an answer denying Avatex's allegations. On February 4, 1997, a Notice of Removal was filed in the Federal District Court for Dallas, Texas (the "District Court"), which was referred by the District Court to the Federal Bankruptcy Court in Dallas, Texas (the "Texas Bankruptcy Court"). Subsequently, on February 7, 1997, a Motion to Transfer Venue was filed in the Texas Bankruptcy Court requesting that this matter be transferred to the Federal Bankruptcy Court in Delaware (the "Delaware Bankruptcy Court"), where the FoxMeyer Subsidiaries' Chapter 7 bankruptcy action is pending. The Company is a creditor in such bankruptcy proceeding. Avatex had moved to remand the case to state court. On March 18, 1997, the Manufacturer Defendants filed in the Delaware Bankruptcy Court a Motion to Intervene in the creditors' committee (the "Chapter 11 Committee") action that asserted that the Delaware Bankruptcy Court should enjoin the FoxMeyer Lawsuit. Also on March 18, 1997, the Delaware Bankruptcy Court converted the FoxMeyer Subsidiaries' Chapter 11 bankruptcy action to a liquidation proceeding under Chapter 7. The order converting the FoxMeyer Subsidiaries' bankruptcy to a Chapter 7 proceeding also stayed all adversary proceedings and other proceedings filed in the bankruptcy until a permanent trustee was elected. As of August 1, 1997, although the issues are fully briefed, no ruling has been made by the Dallas Bankruptcy Court with respect to either the Motion to Transfer Venue to the Delaware Bankruptcy Court or the Avatex Motion to Remand to state court. The trustee has moved to intervene as plaintiff in the Dallas Bankruptcy Court action, has filed a memorandum supporting transfer and has also filed a memorandum opposing remand or abstention. McKesson has intervened in the Delaware Bankruptcy Court action to enjoin the Avatex lawsuit and has moved for partial summary judgment in that proceeding, asserting that Avatex is not the owner of the alleged causes of action. The Manufacturer Defendants have also intervened in that Delaware Bankruptcy Court action and have joined in McKesson's summary judgment motion. The trustee has substituted for the Chapter 11 Committee as the plaintiff in that action and has also filed its motion for partial summary judgment also asserting that Avatex does not own the causes of action. Avatex has moved to file its response to McKesson's motion for partial summary judgment under seal by reason of various deposition materials

originally taken pursuant to a confidentiality order which materials are being utilized in connection with the partial summary judgment. McKesson has objected. Avatex has filed its answer and affirmative defenses to the McKesson complaint for injunction. To date, no discovery has occurred in either the Dallas Bankruptcy Court adversary proceedings or the Delaware Bankruptcy Court adversary proceeding for injunction. There are no pleadings yet on file by either the trustee, McKesson or the Manufacturer Defendants concerning the issue whether McKesson owns the alleged causes of action rather than the Chapter 7 trustee.

While it is not possible to predict accurately or determine the eventual outcome of the above described legal matters 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 six months ended June 30, 1997, the Company repurchased 3.5 million shares of its common stock at a total cost of $210.9 million under its common stock repurchase program. The Board of Directors has authorized the Company to repurchase up to $450 million of shares during 1997. Stock repurchased under the program is retired.

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 six months ended June 30, 1997, operations provided $469.9 million of cash compared with $395.3 million during the same period last year. The Company had cash, cash equivalents and marketable securities of $1,225 million at June 30, 1997, compared with $1,077 million at December 31, 1996.

Capital expenditures totaled $195 million for the six months ended June 30, 1997, compared with $92.7 million for the same period a year ago. The Company anticipates spending approximately $350 million to $400 million on capital projects and equipment to expand the Company's global operations in 1997. Thereafter over the next few years, capital expenditures are expected to average approximately $350 million per year.

The Company receives cash from the exercise of employee stock options. During the six months ended June 30, 1997, stock options and their related tax benefits provided $87.6 million of cash compared with $61.5 million for the same period last year. Proceeds from the exercise of stock options and their related tax benefits will vary from period to period based upon, among other factors, fluctuations in the market value of the Company's stock relative to the exercise price of such options.

The Company has a stock repurchase program to offset the dilutive effect of its employee stock option and stock purchase plans. During the six months ended June 30, 1997, the Company purchased 3.5 million shares of its common stock at a cost of $210.9 million compared with 4 million shares purchased at a cost of $234.8 million during the same period last year. The Company expects to repurchase up to $450 million of its stock under the program in 1997.

During the six months ended June 30, 1997, the Company repaid $50 million of debt securities that had been issued under the Company's former shelf registration statement (the "Shelf"). At June 30, 1997, an aggregate of $159 million was issued and outstanding under the Shelf, with no additional issuances remaining under the Shelf. Of these debt securities outstanding under the Shelf, $59 million bear interest at fixed rates averaging 5.8% and mature in approximately one to six years. In April 1997, the Company issued $100 million of debt securities under the Shelf which bear interest at a fixed rate of 8.1% and mature on April 1, 2097. These debt securities were issued to refinance a portion of debt that has matured or will mature in 1997 (see Note 2 to the Condensed Consolidated Financial Statements). The Company also repaid $28.2 million of promissory notes during the six months ended June 30, 1997.

The Company also has sources of debt financing in order to provide for financial flexibility and increased liquidity. The Company has a commercial paper program which provides for short-term borrowings up to an aggregate face amount of $200 million. The Company also has a $150 million revolving line of credit for borrowings and to support the commercial paper program. As of June 30, 1997, no amounts were outstanding under either source.

The primary objectives for the Company's investment portfolio are liquidity and safety of principal. Investments are made to achieve the highest rate of return to the Company, consistent with these two objectives. The Company's investment 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 invests its excess cash in securities with varying maturities to meet projected cash needs.

The Company believes that existing funds, cash generated from operations and existing sources of debt financing are adequate to satisfy its working capital and capital expenditure requirements for the foreseeable future, as well as to support its stock repurchase program. 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 9% and 11% for the three and six months ended June 30, 1997, respectively, compared with the same periods last year.

NEUPOGEN(R) (Filgrastim)

Worldwide NEUPOGEN(R) sales were $271.8 million and $516.2 million for the three and six months ended June 30, 1997, respectively. These amounts represent increases of $17.1 million and

$28.7 million or 7% and 6%, respectively, over the same periods last year. These increases are primarily due to demand growth in domestic and, to a lesser extent, international markets. Unfavorable foreign currency effects and tight European government budget issues reduced growth in European Union ("EU") sales. In addition, the Company believes that the use of protease inhibitors as a supportive therapy in various AIDs-related therapies has reduced domestic sales of NEUPOGEN(R) for off-label use in this setting. NEUPOGEN(R) is not approved or promoted for such use.

Quarterly NEUPOGEN(R) sales volume in the United States is influenced by a number of factors including underlying demand and wholesaler inventory management practices. Wholesaler inventory reductions tend to reduce domestic NEUPOGEN(R) sales in the first quarter each year. In addition, the discretionary aspects of some cancer chemotherapy administration has had a slight seasonal effect on NEUPOGEN(R) sales.

Cost containment pressures in the health care marketplace have contributed to the slowing of growth in domestic NEUPOGEN(R) usage over the past several years. These pressures are expected to continue to influence such growth for the foreseeable future.

The growth of the colony stimulating factor ("CSF") market in the EU in which NEUPOGEN(R) competes has slowed, and is expected to continue to slow, principally due to cost controls resulting from government budget issues in EU countries. Additionally, the Company faces competition from another granulocyte CSF product. Although the Company's CSF market share in the EU has remained relatively constant over the last several quarters, the Company does not expect the competitive intensity to subside in the near future.

EPOGEN(R) (Epoetin alfa)

EPOGEN(R) sales were $294.9 million and $586.5 million for the three and six months ended June 30, 1997, respectively. These amounts represent increases of $30.7 million and $78.2 million or 12% and 15%, respectively, over the same periods last year. For the six months ended June 30, 1997, the increase was primarily due to continued increases in the U.S. dialysis patient population and, to a lesser extent, the administration of higher doses. Although sales in the three months ended June 30, 1997, did benefit from increases in the U.S. dialysis patient population, EPOGEN(R) sales in this period were adversely affected by reimbursement changes announced by the Health Care Finance Administration ("HCFA"). Prior to this change, Fiscal Intermediaries under contract to HCFA were authorized to pay reimbursement claims for patients whose hematocrits were above the FDA approved level of 36 percent with adequate medical justification. Under the new rules, medical justification will no longer be accepted for payment of claims above 36 percent, and reimbursement will be denied if the current month's hematocrit is 36 or above and the patient's hematocrit exceeds 36.5 percent on a 90-day "rolling average" basis. It has been and remains difficult to predict EPOGEN(R) usage during initial implementation of this new policy because individual patient hematocrit variability is high, the timing

and nature of dialysis center actions varies widely, and the twice postponed implementation date has lengthened the duration of the implementation period. Implementation, originally set for July 1, 1997, is now scheduled for September 1, 1997. The Company initially experienced an impact on EPOGEN(R) sales of withheld and lowered doses in the three months ended June 30, 1997, as some dialysis providers attempted to reduce hematocrits to avoid future claim denials. The Company anticipates that because patient hematocrits can vary significantly from month to month, physicians will withhold doses and administer reduced doses to patients to maintain hematocrits at a level which, in their judgment, is sufficiently low to avoid a claim denial. Amgen is aggressively providing information and guidance to dialysis providers on changes in their practices to both maximize patient outcomes to the greatest extent permitted by the new policy and minimize the potential that claims will be denied. It is not possible to predict which recommendations will be adopted by each dialysis center or when they will do so.

Corporate partner revenues

Corporate partner revenues decreased by $2 million, or 5%, and increased $3.6 million, or 6%, during the three and six months ended June 30, 1997, respectively, compared with the same periods last year. During the three months ended June 30, 1997 a $20 million milestone payment was received from Yamanouchi Pharmaceutical Co., Ltd. ("Yamanouchi") compared with a $15 million licensing payment earned from Yamanouchi during the second quarter of 1996. Despite this increase in funding from Yamanouchi, corporate partner revenues decreased during the three months ended June 30, 1997 compared with the same period last year primarily due to a reduction in funding from Kirin-Amgen, Inc.

Cost of sales

Cost of sales as a percentage of product sales was 13.6% and 13.5% for the three and six months ended June 30, 1997, respectively, compared to 13.2% and 13.6% for the same periods last year. In 1997, cost of sales as a percentage of product sales is expected to range from 13%-14% reflecting continuing efficiencies of the Puerto Rican operations.

Research and development

During the three and six months ended June 30, 1997, research and development expenses increased $21.8 million and $38.9 million, or 18% and 15%, respectively, compared with the same periods last year. These increases are primarily due to staff-related expenses for clinical and preclinical activities necessary to support ongoing product development activities. In 1997, annual research and development expenses are expected to increase at a rate exceeding the Company's product sales growth rate. This increase is planned for internal efforts on development of product candidates, for discovery, and for licensing efforts.

Marketing and selling/General and administrative

Marketing and selling expenses increased $3.3 million and $3.8 million, or 4% and 3%, respectively, during the three and six months ended June 30, 1997 compared with the same periods last year. These increases were relatively small because higher staff-related costs and higher outside marketing expenses were substantially offset by lower European marketing expenses resulting from the favorable effects of foreign currency exchange rates, and lower expenses related to the Johnson & Johnson arbitration.

General and administrative expenses increased $5.9 million and $11.1 million, or 16% and 14%, respectively, during the three and six months ended June 30, 1997 compared with the same periods last year These increases were primarily due to higher legal and staff-related expenses.

In 1997, marketing and selling expenses combined with general and administrative expenses are expected to have an aggregate annual growth rate lower than the anticipated annual product sales growth rate due in part to the favorable impact of foreign currency exchange rates on European expenses and reduced expenses related to the Johnson & Johnson arbitration.

Interest and other income

Interest and other income increased $5.8 million and $2.7 million, or 48% and 9%, respectively, during the three and six months ended June 30, 1997 compared with the same periods last year. These increases are primarily due to gains on foreign currency denominated contracts and interest income from higher cash balances. These increases were partially offset by investment portfolio capital losses realized in the current year periods while capital gains were realized in the first quarter of 1996. Interest and other income is expected to fluctuate from period to period primarily due to changes in cash balances and interest rates.

Income taxes

The Company's effective tax rate for both the three and six months ended June 30, 1997 was 28.0% compared with 31.0% and 30.8%, respectively, for the same periods last year. These decreases in the tax rate resulted from a favorable ruling received in the third quarter of 1996 from the Puerto Rican government with respect to tollgate taxes applicable to earnings in Puerto Rico. In 1998, the Company expects the tax rate to increase to approximately 31%, due to a change in the U.S. federal tax law which limits the tax benefits related to manufacturing in Puerto Rico, the location of the Company's fill-and-finish facility.

Foreign currency transactions

The Company has a program to manage certain portions of its exposure to fluctuations in foreign currency exchange rates arising from international operations. The Company generally hedges the receivables and payables with foreign currency forward contracts,

which typically mature within six months. The Company uses foreign currency option and forward contracts which generally expire within 12 months to hedge certain anticipated future sales and expenses. At June 30, 1997, outstanding foreign currency option and forward contracts totaled $24.8 million and $77.4 million, respectively.

Financial Outlook

Worldwide NEUPOGEN(R) (Filgrastim) sales for 1997 are expected to grow at a rate lower than the 1996 growth rate. Future NEUPOGEN(R) sales increases are dependent primarily 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. Although not approved or promoted for use in Amgen's domestic or foreign markets, except for Australia, the Company believes that approximately 10% of its worldwide NEUPOGEN(R) sales are from off-label use as a supportive therapy in various AIDS-related treatments. Changes in AIDS therapies, including therapies that may be less myelosuppressive, are believed to have adversely affected and are expected to continue to adversely affect such sales. NEUPOGEN(R) usage is expected to continue to be affected by cost containment pressures on health care providers worldwide. In addition, international NEUPOGEN(R) sales will continue to be subject to changes in foreign currency exchange rates and government budgets.

The Company believes that the EPOGEN(R) (Epoetin alfa) year-over-year sales growth rate for the second half of 1997 will be less than the 15% growth rate reported in the first half of this year. The Company also anticipates that increases in the U.S. dialysis patient population, and, to a lesser extent, dosing, will continue to drive EPOGEN(R) sales in future years.

The Company anticipates that the total product sales growth rate in 1997 will be somewhat less than double digits. Earnings are expected to grow at a double digit rate in 1997, however, Amgen has advised analysts that it is no longer comfortable with the current range of their estimates of earnings per share. Estimates of future product sales and earnings, however, are necessarily speculative in nature and are difficult to predict with accuracy.

Except for the historical information contained herein, the matters discussed herein are by their nature forward-looking. For reasons stated, or for various unanticipated reasons, actual results may differ materially. Amgen operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. Future operating results and matters which may affect the Company's stock price may be affected by a number of factors, certain of which are discussed elsewhere herein and are discussed in the sections appearing under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations--Factors That May Affect Future Results" in the Company's Annual Report on Form 10-K for the year ended December 31, 1996, which sections are incorporated herein by reference and filed as an exhibit hereto.

Legal Matters

The Company is engaged in arbitration proceedings with one of its licensees and various other legal proceedings. 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 these matters see Note 4 to the Condensed Consolidated Financial Statements - "Contingencies - Johnson & Johnson arbitrations". Other legal proceedings are also reported in Note 4 to the Condensed Consolidated Financial Statements and in the Company's Form 10-K for the year ended December 31, 1996, with material developments since that report described 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.

False Claims Act matter

As previously reported, Amgen was named as a defendant in a civil lawsuit initiated by a former employee of Amgen in the United States District Court for the Eastern District of Pennsylvania. This suit, United States ex rel. Eric Zwick v. Amgen Inc., et al., was filed under the qui tam provisions of the Federal False Claims Act. On June 11, 1997, after a full review of the allegations, the United States Department of Justice filed a Notice of Election to Decline Intervention in the lawsuit. In addition, on June 28, 1997, the Court granted the former employee's motion to dismiss the action without prejudice.

Synergen ANTRIL(TM) litigation

On June 13, 1997, the parties in the matter Susquehanna Investment Group, et al. v. Amgen Boulder, Inc., et al., agreed to a settlement in that matter in which Amgen Boulder, Inc. agreed to pay $1 million in exchange for dismissal of the suit. On July 23, 1997, the lawsuit was dismissed with prejudice.

NESP Matter

On June 5, 1997, Ortho Biotech, Inc. ("Ortho Biotech"), a Johnson & Johnson affiliate, filed a demand for arbitration against Kirin-Amgen, Inc. ("Kirin-Amgen"), before the American Arbitration Association ("AAA"). The demand alleges that Amgen's novel erythropoiesis stimulating protein ("NESP") is covered by a license granted by Kirin-Amgen to Ortho Pharmaceutical Corporation in 1985 for the development, manufacture and sale of Epoetin alfa in certain territories outside the United States, Japan and China. In 1996 Kirin-Amgen acquired exclusive worldwide rights in NESP from Amgen.

Kirin-Amgen, in turn, transferred certain rights in NESP to Kirin and certain rights to Amgen. Ortho Biotech alleges that Ortho Pharmaceutical's 1985 license agreement with Kirin-Amgen effectively grants Ortho Biotech the same right to develop, manufacture and sell NESP as Kirin-Amgen previously granted to Ortho Pharmaceutical in 1985 for the development, manufacture and sale of Epoetin alfa. On June 20, 1997 Kirin-Amgen initiated suit in the Circuit Court of Cook County, Illinois seeking a judicial determination of Ortho Biotech's standing to seek arbitration of claims under Kirin-Amgen's 1985 license agreement with Ortho Pharmaceutical. At the same time, Kirin-Amgen filed a motion with AAA to dismiss or stay the arbitration pending judicial resolution of Ortho Biotech's standing to arbitrate claims under Kirin-Amgen's license agreement with Ortho Pharmaceutical.

Transkaryotic Therapies and Hoechst litigation

On April 15, 1997, Amgen filed suit in the United States District Court in Boston Massachusetts against Transkaryotic Therapies Inc. ("TKT") and Hoechst Marion Roussel alleging infringement of several U.S. patents owned by Amgen that claim an erythropoietin product and processes for making erythropoietin. The suit seeks an injunction preventing the defendants from making, importing, using or selling erythropoietin in the U.S. On July 9, 1997, the Court denied TKT's motion to dismiss the lawsuit on the pleadings.

Biogen litigation

On March 10, 1995, Biogen Inc. ("Biogen"), filed suit in the United States District Court for the District of Massachusetts alleging infringement by the Company of certain claims of U.S. Patent 4,874,702 (the "`702 Patent"), relating to vectors for expressing cloned genes. Biogen alleges that Amgen has infringed its patent by manufacturing and selling NEUPOGEN(R). On March 28, 1995, Biogen filed an amended complaint further alleging that the Company is also infringing the claims of two additional patents allegedly assigned to Biogen, U.S. Patent 5,401,642 (the "`642 Patent") and U.S. Patent No. 5,401,658 (the "`658 Patent"), relating to vectors, methods for making vectors and expressing closed genes. The amended complaint seeks injunctive relief, unspecified compensatory damages and treble damages. On April 24, 1995, the Company answered Biogen's amended complaint, denying its material allegations and pleading counterclaims for declaratory judgment of non-infringement, patent invalidity and unenforceability. On January 19, 1996, the Court decided, upon Biogen's motion to dismiss certain of Amgen's counterclaims, that it will exert jurisdiction over claims 9 and 17 of the `702 Patent, and dismissed all claims and counterclaims relating to any other claims of the `702 Patent. Amgen moved (the "Summary Adjudication Motion") for summary judgment of invalidity of claim 9 of the `702 Patent. On July 7, 1997, the Company's Summary Adjudication Motion was denied. This denial is not dispositive of the case, and the effect of the ruling may be to reserve certain issues for trial. Discovery is substantially complete. No trial date has been set.

In a separate matter, on July 30, 1997, Biogen filed a complaint in the United States District Court for the District of Massachusetts in Boston alleging that Amgen infringes claims 9 and 17 of the `702 Patent, and the `642 Patent and `658 Patent by making and using the claimed subject matter in the United States in the manufacture of INFERGEN(R), the Company's consensus interferon product. As of July 31, 1997, Amgen had not been served with the complaint.

Consensus interferon litigation

On December 3, 1996, Schering Corporation filed suit in the U.S. District Court for the District of Delaware (the "Delaware Court") against the Company alleging infringement of U.S. Patent No. 4,530,901 (the "`901 Patent") by the manufacture and use of the Company's Consensus Interferon product. The complaint seeks unspecified damages and injunctive relief. The Company filed a motion to dismiss (the "Motion to Dismiss") the action on January 24, 1997. On January 22, 1997, the Company filed an action for declaratory relief in the United States District Court for the Central District of California in Los Angeles (the "California Court") naming Biogen Inc. and Schering Corporation as parties. The action seeks a declaration that the `901 Patent is not infringed by the Company's use of INFERGEN(R) and/or that the `901 Patent is invalid. By agreement between the parties, the Motion to Dismiss was withdrawn and a motion to transfer the case to California was filed on March 10, 1997. On June 24, 1997, the Delaware Court denied Amgen's motion to transfer and the case is now proceeding in Delaware. Pursuant to an agreement between the parties, Amgen

withdrew its complaint filed in California. Biogen has been added as a plaintiff in the Delaware action.

FoxMeyer Health Corporation

On January 10, 1997, FoxMeyer Health Corporation, now known as Avatex Corporation ("Avatex"), filed suit (the "FoxMeyer Lawsuit") in the District Court of Dallas County, Dallas, Texas, alleging that defendant McKesson Corporation ("McKesson") defrauded Avatex, misused confidential information received from Avatex about subsidiaries of Avatex (FoxMeyer Corporation and FoxMeyer Drug Corporation, collectively the "FoxMeyer Subsidiaries"), and attempted to monopolize the market for pharmaceutical and health care product distribution by attempting to injure or destroy the FoxMeyer Subsidiaries. The Company is named as one of twelve "Manufacturer Defendants" alleged to have conspired with McKesson Corporation in doing, among other things, the above and (i) inducing Avatex to refrain from seeking other suitable purchasers for the FoxMeyer Subsidiaries and (ii) causing Avatex to believe that McKesson was serious about purchasing Avatex's assets at fair value, when, in fact, McKesson was not. The Manufacturer Defendants and McKesson are also alleged to have intentionally and tortiously interfered with a number of business expectancies and opportunities. The complaint seeks from the Manufacturer Defendants and McKesson compensatory damages of at least $400 million and punitive damages in an unspecified amount, as well as Avatex's costs and attorney's fees. On January 31, 1997, the Company filed an answer denying Avatex's allegations. On February 4, 1997, a Notice of Removal was filed in the Federal District Court for Dallas, Texas (the "District Court"), which was referred by the District Court to the Federal Bankruptcy Court in Dallas, Texas (the "Texas Bankruptcy Court"). Subsequently, on February 7, 1997, a Motion to Transfer Venue was filed in the Texas Bankruptcy Court requesting that this matter be transferred to the Federal Bankruptcy Court in Delaware (the "Delaware Bankruptcy Court"), where the FoxMeyer Subsidiaries' Chapter 7 bankruptcy action is pending. The Company is a creditor in such bankruptcy proceeding. Avatex had moved to remand the case to state court. On March 18, 1997, the Manufacturer Defendants filed in the Delaware Bankruptcy Court a Motion to Intervene in the creditors' committee (the "Chapter 11 Committee") action that asserted that the Delaware Bankruptcy Court should enjoin the FoxMeyer Lawsuit. Also on March 18, 1997, the Delaware Bankruptcy Court converted the FoxMeyer Subsidiaries' Chapter 11 bankruptcy action to a liquidation proceeding under Chapter 7. The order converting the FoxMeyer Subsidiaries' bankruptcy to a Chapter 7 proceeding also stayed all adversary proceedings and other proceedings filed in the bankruptcy until a permanent trustee was elected. As of August 1, 1997, although the issues are fully briefed, no ruling has been made by the Dallas Bankruptcy Court with respect to either the Motion to Transfer Venue to the Delaware Bankruptcy Court or the Avatex Motion to Remand to state court. The trustee has moved to intervene as plaintiff in the Dallas Bankruptcy Court action, has filed a memorandum supporting transfer and has also filed a memorandum opposing remand or abstention. McKesson has intervened in the Delaware Bankruptcy Court action to enjoin the Avatex lawsuit and has moved for partial summary

judgment in that proceeding, asserting that Avatex is not the owner of the alleged causes of action. The Manufacturer Defendants have also intervened in that Delaware Bankruptcy Court action and have joined in McKesson's summary judgment motion. The trustee has substituted for the Chapter 11 Committee as the plaintiff in that action and has also filed its motion for partial summary judgment also asserting that Avatex does not own the causes of action. Avatex has moved to file its response to McKesson's motion for partial summary judgment under seal by reason of various deposition materials originally taken pursuant to a confidentiality order which materials are being utilized in connection with the partial summary judgment. McKesson has objected. Avatex has filed its answer and affirmative defenses to the McKesson complaint for injunction. To date, no discovery has occurred in either the Dallas Bankruptcy Court adversary proceedings or the Delaware Bankruptcy Court adversary proceeding for injunction. There are no pleadings yet on file by either the trustee, McKesson or the Manufacturer Defendants concerning the issue whether McKesson owns the alleged causes of action rather than the Chapter 7 trustee.

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Company held its Annual Meeting of Stockholders on May 8, 1997.

(b) Omitted pursuant to Instruction 3 to Item 4 of Form 10-Q.

(c) The two matters voted upon at the meeting were to elect two directors to hold office until the Annual Meeting of Stockholders in the year 2000 and to ratify the selection of Ernst & Young LLP as the independent auditors of the Company for the year ending December 31, 1997.

(i) The following votes were cast for or were withheld with respect to each of the nominees for director: Mr. Gordon M. Binder: 223,424,399 votes for and 1,923,447 votes withheld; and Mr. Franklin P. Johnson, Jr.: 223,431,735 votes for and 1,916,111 votes withheld. All nominees were declared to have been elected as directors to hold office until the Annual Meeting of Stockholders in the year 2000. No abstentions or broker non-votes were cast for the election of directors.

(ii) With respect to the proposal to ratify the selection of Ernst & Young LLP as the Company's independent auditors, 224,423,943 votes were cast for the proposal, 344,215 votes were cast against the proposal and 579,678 votes abstained. No broker non-votes were cast in connection with the proposal. The selection of Ernst & Young LLP as the Company's independent auditors for the year ending December 31, 1997 was declared to have been ratified.

(d) Not applicable.

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 two Current Reports on Form 8-K during the three months ended June 30, 1997. The report filed on April 8, 1997 reported under Item 5 that the Company entered into an underwriting agreement pursuant to the sale of its debt securities and reported under Item 7 the list of related exhibits. The report filed on June 13, 1997 reported under Item 5 an update to certain litigation.

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: 8/11/97

By:/s/ Robert S. Attiyeh
Robert S. Attiyeh
Senior Vice President, Finance and Corporate Development, and Chief Financial Officer

Date: 8/11/97

By:/s/ Kathryn E. Falberg
Kathryn E. Falberg
Vice President, Corporate Controller and Chief Accounting Officer

AMGEN INC.

INDEX TO EXHIBITS

Exhibit No.	Description
3.1	Restated Certificate of Incorporation as amended. (26)
*3.2	Amended and Restated Bylaws.
4.1	Indenture dated January 1, 1992 between the Company and Citibank N.A., as trustee. (11)
4.2	Forms of Commercial Paper Master Note Certificates. (14)
4.3	First Supplement to Indenture, dated February 26, 1997 between the Company and Citibank N.A., as trustee. (23)
4.4	Officer's Certificate pursuant to Sections 2.1 and 2.3 of the Indenture, as supplemented, establishing a series of securities "8-1/8% Debentures due April 1, 2097." (25)
4.5	8-1/8% Debentures due April 1, 2097. (25)
4.6	Form of stock certificate for the common stock, par value $.0001 of the Company. (26)
10.1	Company's Amended and Restated 1991 Equity Incentive Plan. (24)
10.2	Company's Amended and Restated 1984 Stock Option Plan. (21)
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 Amended and Restated Employee Stock Purchase Plan. (21)
10.8	Research, Development Technology Disclosure and License Agreement PPO, dated January 20, 1986, by and between the Company and Kirin Brewery Co., Ltd. (4)
10.9	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)

10.10 Assignment and License Agreement, dated October 16, 1986, between the Company and Kirin-Amgen, Inc. (with certain confidential information deleted therefrom). (5)

10.11 G-CSF European License Agreement, dated December 30, 1986, between Kirin-Amgen, Inc. and the Company (with certain confidential information deleted therefrom). (5)

10.12 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)

10.13 Company's Amended and Restated 1987 Directors' Stock Option Plan. (24)

10.14 Company's Amended and Restated 1988 Stock Option Plan. (21)

10.15 Company's Amended and Restated Retirement and Savings Plan. (21)

10.16 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. (6)

10.17 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). (8)

10.18 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). (8)

10.19 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). (8)

10.20 Rights Agreement, dated January 24, 1989, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (7)

10.21 First Amendment to Rights Agreement, dated January 22, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (9)

10.22 Second Amendment to Rights Agreement, dated April 2, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (10)

10.23 Agency Agreement, dated November 21, 1991, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (12)

10.24 Agency Agreement, dated May 21, 1992, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (12)

10.25 Guaranty, dated July 29, 1992, by the Company in favor of Merck Sharp & Dohme Quimica de Puerto Rico, Inc. (13)

10.26 936 Promissory Note No. 01, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (12)

10.27 936 Promissory Note No. 02, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (12)

10.28 936 Promissory Note No. 001, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (12)

10.29	936 Promissory Note No. 002, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (12)
10.30	Guaranty, dated November 21, 1991, by the Company in favor of Citicorp Financial Services Corporation. (12)
10.31	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. (13)
10.32	Amgen Supplemental Retirement Plan dated June 1, 1993. (15)
10.33	Promissory Note of Mr. Kevin W. Sharer, dated June 4, 1993. (15)
10.34	Promissory Note of Mr. Larry A. May, dated February 24, 1993. (16)
10.35	Amgen Performance Based Management Incentive Plan. (24)
10.36	Agreement and Plan of Merger, dated as of November 17, 1994, among Amgen Inc., Amgen Acquisition Subsidiary, Inc. and Synergen, Inc. (17)
10.37	Third Amendment to Rights Agreement, dated as of February 21, 1995, between Amgen Inc. and American Stock Transfer Trust and Trust Company (18)
10.38	Credit Agreement, dated as of June 23, 1995, among Amgen Inc., the Borrowing Subsidiaries named therein, the Banks named therein, Swiss Bank Corporation and ABN AMRO Bank N.V., as Issuing Banks, and Swiss Bank Corporation, as Administrative Agent. (19)
10.39	Promissory Note of Mr. George A. Vandeman, dated December 15, 1995. (20)
10.40	Promissory Note of Mr. George A. Vandeman, dated December 15, 1995. (20)
10.41	Promissory Note of Mr. Stan Benson, dated March 19, 1996. (20)
10.42	Amendment No. 1 to the Company's Amended and Restated Retirement and Savings Plan. (21)
10.43	Amendment Number 5 to the Company's Amended and Restated Retirement and Savings Plan dated January 1, 1993. (24)
10.44	Amendment Number 2 to the Company's Amended and Restated Retirement and Savings Plan dated April 1, 1996. (24)
10.45	First Amendment to Credit Agreement, dated as of December 12, 1996, among Amgen Inc., the Borrowing Subsidiaries named therein, and Swiss Bank Corporation as Administrative Agent. (24)
10.46	Fourth Amendment to Rights Agreement, dated February 18, 1997 between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (22)
10.47	Preferred Share Rights Agreement, dated February 18, 1997, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (22)
10.48	Consulting Agreement, dated November 15, 1996, between the Company and Daniel Vapnek. (24)
10.49	Agreement, dated May 30, 1995, between the Company and George A. Vandeman. (24)
*10.50	First Amendment, effective January 1, 1998, to the Company's Amended and Restated Employee Stock Purchase Plan.

*10.51	Third Amendment, effective January 1, 1997, to the Company's Amended and Restated Retirement and Savings Plan dated April 1, 1996.
*10.52	Heads of Agreement dated April 10, 1997, between the Company and Kirin Amgen, Inc., on the one hand, and F. Hoffmann-La Roche Ltd., on the other hand (with certain confidential information deleted therefrom).
*11	Computation of per share earnings.
*27	Financial Data Schedule.
*99	Sections appearing under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations-Factors That May Affect Future Results" in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

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* Filed herewith.

(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 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.
(7) Filed as an exhibit to the Form 8-K Current Report dated January 24, 1989 and incorporated herein by reference.
(8) 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.
(9) Filed as an exhibit to the Form 8-K Current Report dated January 22, 1991 and incorporated herein by reference.
(10) Filed as an exhibit to the Form 8-K Current Report dated April 12, 1991 and incorporated herein by reference.
(11) Filed as an exhibit to Form S-3 Registration Statement dated December 19, 1991 and incorporated herein by reference.
(12) 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.
(13) Filed as an exhibit to the Form 8-A dated March 31, 1993 and incorporated herein by reference.
(14) 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.

(15) 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.
(16) 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.
(17) Filed as an exhibit to the Form 8-K Current Report dated November 18, 1994 on December 2, 1994 and incorporated herein by reference.
(18) Filed as an exhibit to the Form 8-K Current Report dated February 21, 1995 on March 7, 1995 and incorporated herein by reference.
(19) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1995 on August 11, 1995 and incorporated herein by reference.
(20) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1995 on March 29, 1996 and incorporated herein by reference.
(21) Filed as an exhibit to the Form 10-Q for the quarter ended September 30, 1996 on November 5, 1996 and incorporated herein by reference.
(22) Filed as an exhibit to the Form 8-K Current Report dated February 18, 1997 on February 28, 1997 and incorporated herein by reference.
(23) Filed as an exhibit to the Form 8-K Current Report dated March 14, 1997 on March 14, 1997 and incorporated herein by reference.
(24) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1996 on March 24, 1997 and incorporated herein by reference.
(25) Filed as an exhibit to the Form 8-K Current Report dated April 8, 1997 on April 8, 1997 and incorporated herein by reference.
(26) Filed as an exhibit to the Form 10-Q for the quarter ended March 31, 1997 on May 13, 1997.

EXHIBIT 3.2

AMENDED AND RESTATED BYLAWS

OF

AMGEN INC.

(AS AMENDED THROUGH MAY 8, 1997)

INDEX

		Page
ARTICLE I	Offices	1
Section 1.	Registered Office	1
Section 2.	Other Offices	1
ARTICLE II	Corporate Seal	1
Section 3.	Corporate Seal	1
ARTICLE III	Stockholders' Meetings	1
Section 4.	Place of Meetings	1
Section 5.	Annual Meeting	1
Section 6.	Special Meetings	1
Section 7.	Notice of Meetings	2
Section 8.	Quorum	2
Section 9.	Adjournment and Notice of Adjourned Meetings	2
Section 10.	Voting Rights	3
Section 11.	Joint Owners of Stock	3
Section 12.	List of Stockholders	3
Section 13.	No Action Without Meeting	4
Section 14.	Organization	4
Section 15.	Notifications of Nominations and Proposed Business	4
ARTICLE IV	Directors	5
Section 16.	Number	5
Section 17.	Classes of Directors	5
Section 18.	Newly Created Directorships and Vacancies	5
Section 19.	Powers	6
Section 20.	Resignation	6
Section 21.	Removal	6
Section 22.	Meetings	6
(a)	Annual Meetings	6
(b)	Regular Meetings	6
(c)	Special Meetings	7

(d) Telephone Meetings 7

(e) Notice of Meetings 7

(f) Waiver of Notice 7

Section 23. Quorum and Voting 7

(a) Quorum 7

(b) Majority Vote 7

Section 24. Action without Meeting 8

Section 25. Fees and Compensation 8

Section 26. Committees 8

(a) Executive Committee 8

(b) Other Committees 8

(c) Term 9

(d) Meetings 9

Section 27. Organization 9

ARTICLE V Officers 10

Section 28. Officers Designated 10

Section 29. Tenure and Duties of Officers 10

(a) General 10

(b) Duties of Chairman of the Board 10

(c) Duties of Chief Executive Officer 10

(d) Duties of President and Chief Operating Officer 11

(e) Duties of Vice Presidents 11

(f) Duties of Chief Financial Officer 11

(g) Duties of Secretary 11

Section 30. Resignations 12

Section 31. Removal 12

Section 32. Compensation 12

ARTICLE VI Execution of Corporate Instruments and Voting of Securities Owned by the Corporation 12

Section 33. Execution of Corporate Instruments 12

Section 34. Voting of Securities Owned by the Corporation 13

ARTICLE VII Shares of Stock 13

Section 35. Form and Execution of Certificates 13

Section 36. Lost Certificates 13

Section 37. Transfers 14

Section 38. Fixing Record Dates 14

Section 39. Registered Stockholders 14

Section 40. Issuance, Transfer and Resignation of Shares 14

ARTICLE VIII Other Securities of the Corporation 15

Section 41. Execution of Other Securities 15

ARTICLE IX Dividends 15

Section 42. Declaration of Dividends 15

Section 43. Dividend Reserve 15

ARTICLE X Fiscal Year 16

Section 44. Fiscal Year 16

ARTICLE XI Indemnification of Directors, Officers, Employees and Other Agents 16

Section 45. Indemnification of Directors,Officers, Employees and Other Agents 16

(a) Directors and Officers 16

(b) Other Employees and Other Agents 16

(c) Expenses 16

(d) Enforcement 17

(e) Non-Exclusivity of Rights 18

(f) Survival of Rights 18

(g) Insurance 18

(h) Amendments 18

(i) Savings Clause 18

(j) Certain Definitions 18

ARTICLE XII Notices 19

Section 46. Notices 20

(a) Notice to Stockholders 20

(b) Notice to Directors 20

(c) Address Unknown 20

(d) Affidavit of Mailing 20

(e) Time Notices Deemed Given 20

(f) Methods of Notice 20

(g) Failure to Receive Notice 20

(h) Notice to Person with Whom Communication Is Unlawful 20

ARTICLE XIII Amendments 21

Section 47. Amendments 21

ARTICLE XIV Loans of Officers and Others 21

Section 48. Certain Corporate Loans and Guaranties 21

ARTICLE I

Offices

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Dover, County of Kent. (Del. Code Ann., tit. 8, Section 131)

Section 2. Other Offices. The corporation also shall have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and also may have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require. (Del. Code Ann., tit. 8, Section 122(8))

ARTICLE II

Corporate Seal

Section 3. Corporate Seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. (Del. Code Ann., tit. 8, Section 122(3))

ARTICLE III

Stockholders' Meetings

Section 4. Place of Meetings. Meetings of the stockholders of the corporation shall be held at such place, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors, or, if not so designated, then at the office of the corporation required to be maintained pursuant to Section 2 hereof. (Del. Code Ann., tit. 8, Section211(a))

Section 5. Annual Meeting. The annual meeting of the stockholders of the corporation shall be held on any date and time which may from time to time be designated by the Board of Directors. At such annual meeting, directors shall be elected and any other business may be transacted that may properly come before the meeting. (Del. Code Ann., tit. 8, Section 211(b))

Section 6. Special Meetings. Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by the Chairman of the Board of Directors ("Chairman of the Board"), the Chief Executive Officer, the President, or the Board of Directors at any time. Upon written request of any stockholder or stockholders holding in the aggregate 20% or more of the voting power of all stockholders delivered in person or sent by registered mail to the Chief Executive Officer, the President or Secretary, the Secretary shall call a special meeting of stockholders to be held at the office of the corporation required to be maintained pursuant to Section 2 hereof, or at such other place as may be designated by the Secretary, at such time as the Secretary may fix, such meeting to be

held not less than ten (10) nor more than sixty (60) days after the receipt of such request, and if the Secretary shall neglect or refuse to call such meeting, within seven (7) days after the receipt of such request, the stockholder making such request may do so. (Del. Code Ann., tit. 8, Section 211(d))

Section 7. Notice of Meetings. Except as otherwise provided by law or the Certificate of Incorporation, written notice of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, date and hour and purpose or purposes of the meeting. Notice of the time, place and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given. (Del. Code Ann., tit. 8, Secs. 222, 229)

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. Any shares, the voting of which at said meeting has been enjoined, or which for any reason cannot be lawfully voted at such meeting, shall not be counted to determine a quorum at such meeting. In the absence of a quorum any meeting of stockholders may be adjourned, from time to time, by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all action taken by the holders of a majority of the voting power represented at any meeting at which a quorum is present shall be valid and binding upon the corporation. (Del. Code Ann., tit. 8, Section 216)

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time by the vote of a majority of the shares, the holders of which are present either in person or by proxy. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of

record entitled to vote at the meeting. (Del. Code Ann., tit. 8, Section 222(c))

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent, which proxy shall be filed with the Secretary at or before the meeting at which it is to be used. An agent so appointed need not be a stockholder. No proxy shall be voted on after three (3) years from its date of creation unless the proxy provides for a longer period. All elections of Directors shall be by written ballot, unless otherwise provided in the Certificate of Incorporation. (Del. Code Ann., tit. 8, Secs. 211(e), 212(b))

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnishedwith a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the General Corporation Law of Delaware, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of this subsection (c) shall be a majority or even-split in interest. (Del. Code Ann., tit. 8, Section 217(b))

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where the meeting is to be held. The list shall be produced and kept at the time and place of meeting during the whole time thereof, and may be inspected by any stockholder who is present. (Del. Code Ann., tit. 8, Section 219(a))

Section 13. No Action Without Meeting. Any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

Section 14. Organization. At every meeting of stockholders, the Chairman of the Board, or, if the Chairman of the Board is absent, the Chief Executive Officer, or, if the Chief Executive Officer is absent, the President, or, if the President is absent, the most senior Vice President present, or in the absence of any such officer, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

Section 15. Notifications of Nominations and Proposed Business. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation,

(x) nominations for the election of directors, and

(y) business proposed to be brought before any stockholder meeting, may be made by the Board of Directors or a proxy committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any such stockholder may nominate one or more persons for election as directors at a meeting or propose business to be brought before a meeting, or both, only if such stockholder has given timely notice in proper written form of his intent to make such nomination or nominations or to propose such business. To be timely, a stockholder's notice must be delivered to or mailed and received by the Secretary of the corporation not later than 90 days prior to such meeting; provided, however, that in the event that less than 100 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received not later than the close of business on the 10th day following the date on which such notice of the date of such meeting was mailed or such public disclosure was made. To be in proper written form, a stockholder's notice to the Secretary shall set forth:

(a) the name and address of the stockholder who intends to make the nominations or propose the business and, as the case may be, of the person or persons to be nominated or of the business to be proposed;

(b) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

(c) if applicable, a description of all arrangements or understandings between the stockholder and each nominee and any other

person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder;

(d) such other information regarding each nominee or each matter of business to be proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, or the matter been proposed, or intended to be proposed by the Board of Directors; and

(e) if applicable, the consent of each nominee to serve as director of the corporation if so elected.

The chairman of the meeting may refuse to acknowledge the nomination of any person or the proposal of any business not made in compliance with the foregoing procedure.

ARTICLE IV

Directors

Section 16. Number. The authorized number of directors of the corporation shall be fixed from time to time by the Board of Directors. The number of directors presently authorized is eight. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws. (Del. Code Ann., tit. 8, Secs. 141(b), 211(b), (c))

Section 17. Classes of Directors. The Board of Directors shall be divided into three classes: Class I, Class II and Class III, which shall be as nearly equal in number as possible. Each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting at which the director was elected. Notwithstanding the foregoing provisions of this section, each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. (Del. Code Ann., tit. 8, Section141(d))

Section 18. Newly Created Directorships and Vacancies. In the event of any increase or decrease in the authorized number of directors, the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to maintain such classes as nearly equal in number as possible. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. Newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office (and not by stockholders), even though less than a quorum of the authorized Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the

remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successors shall have been elected and qualified.

Section 19. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlledby the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation (Del. Code Ann., tit. 8, Section 141(a))

Section 20. Resignation. Any director may resign at any time by delivering his written resignation to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified. (Del. Code Ann., tit. 8, Secs. 141(b), 223(d))

Section 21. Removal. At a special meeting of stockholders called for the purpose in the manner hereinabove provided, the Board of Directors, or any individual director, may be removed from office, (a) with cause, and one or more new directors may be elected, by a vote of stockholders holding a majority of the outstanding shares entitled to vote at an election of Directors or (b), without cause, by a vote of stockholders holding at least 66.67% of the outstanding shares entitled to vote at an election of directors. (Del. Code Ann., tit. 8, Section 141(k))

Section 22. Meetings.

(a) Annual Meetings. The annual meeting of the Board of Directors shall be held on the date of the annual meeting of stockholders and at the place where such meeting is held. No notice of an annual meeting of the Board of Directors shall be necessary and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Regular Meetings. Except as hereinafter otherwise provided, regular meetings of the Board of Directors shall be held in the office of the corporation required to be maintained pursuant to Section 2 hereof. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors also may be held at any place within or without the State of Delaware which has been designated by resolution of the Board of Directors or the written consent of all Directors. (Del. Code Ann., tit. 8, Section 141(g))

(c) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer, the President or a majority of the Directors. (Del. Code Ann., tit. 8, Section 141(g))

(d) Telephone Meetings. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting. (Del. Code Ann., tit. 8, Section 141(i))

(e) Notice of Meetings. Written notice of the time and place of all regular and special meetings of the Board of Directors shall be given at least one (1) day before the date of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. (Del. Code Ann., tit. 8, Section 229)

(f) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the Directors not present sign a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. (Del. Code Ann., tit. 8, Section 229)

Section 23. Quorum and Voting.

(a) Quorum. Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of Directors fixed from time to time in accordance with Section 16 of these Bylaws, but not less than one (1); provided, however, at any meeting whether a quorum is present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting. (Del. Code Ann., tit. 8, Section 141(b))

(b) Majority Vote. At each meeting of the Board of Directors at which a quorum is present all questions and business shall be determined by a vote of a majority of the Directors present, unless a different vote is required by law, the Certificate of Incorporation or these Bylaws. (Del. Code Ann., tit. 8, Section 141(b))

Section 24. Action without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board of Directors or committee. (Del. Code Ann., tit. 8, Section 141(f))

Section 25. Fees and Compensation. Directors shall not receive any stated salary for their services as Directors, but by resolution of the Board of Directors a fixed fee, with or without expense of attendance, may be allowed for serving on the Board of Directors and/or attendance at each meeting and at each meeting of any committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, consultant, employee, or otherwise and receiving compensation therefor. (Del. Code Ann., tit. 8, Section 141(h))

Section 26. Committees.

(a) Executive Committee. The Board of Directors may by resolution passed by a majority of the whole Board of Directors, appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and specifically granted by the Board of Directors, shall have and may exercise when the Board of Directors is not in session all powers of the Board of Directors in the management of the business and affairs of the corporation, including, without limitation, the power and authority to declare a dividend or to authorize the issuance of stock, except such committee shall not have the power or authority to amend the Certificate of Incorporation (except that the committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors as provided by law, fix any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation), to adopt an agreement of merger or consolidation, to recommend to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, to recommend to the stockholders a dissolution of the corporation or a revocation of a dissolution or to amend these Bylaws. (Del. Code Ann., tit. 8, Section 141(c))

(b) Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, from time to time appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors, and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no

event shall such committee have the powers denied to the Executive Committee in these Bylaws. (Del. Code Ann., tit. 8, Section 141(c))

(c) Term. Each member of a committee of the Board of Directors shall serve a term on the committee coexistent with such member's term on the Board of Directors. The Board of Directors, subject to the provisions of subsections (a) or (b) of this Section 26, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. (Del. Code Ann., tit. 8, Section141(c))

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 26 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at the principal office of the corporation required to be maintained pursuant to Section 2 hereof, or at any place which has been designated from time to time by resolution of such committee or by written consent of all members thereof, and may be called by any director who is a member of such committee, upon written notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of written notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. A majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee. (Del. Code Ann., tit. 8, Secs. 141(c), 229)

Section 27. Organization. At every meeting of the directors, the Chairman of the Board, or, if the Chairman of the Board is absent, the Chief Executive Officer, or if the Chief Executive Officer is absent, the President, or if the President is absent, the most senior Vice President, or, in the absence of any such officer, a

chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

ARTICLE V

Officers

Section 28. Officers Designated. The officers of the corporation shall be the Chairman of the Board, the Chief Executive Officer, the President and Chief Operating Officer, one or more Vice Presidents, the Chief Financial Officer and the Secretary, all of whom shall be elected at the annual meeting of the Board of Directors. The Board of Directors also may appoint such other officers and agents with such powers and duties as it shall deem necessary. The order of the seniority of the Vice Presidents shall be in the order of their nomination, unless otherwise determined by the Board of Directors. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 29. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board. The Chairman of the Board, subject to the control of the Board of Directors, shall perform such duties and functions as are necessary to further the strategic direction of the corporation. Unless the Board of Directors designates another person, the Chairman of the Board shall preside at all meetings of the stockholders, the Board of Directors and of the Executive Committee.

(c) Duties of Chief Executive Officer. The Chief Executive Officer, at the request of the Chairman of the Board or upon his absence or disability, or in the event of a vacancy in the office of Chairman of the Board, shall exercise all the powers of Chairman of the Board as provided in Subsection 29(b). The Chief Executive Officer shall, subject to the control of the Board of Directors, exercise general management and supervision over the property, affairs and business of the corporation and shall authorize officers of the corporation, other than the Chairman of the Board, to exercise such powers as he, in his discretion, may deem to be in the best interests of the corporation. The Chief Executive Officer shall in general perform all duties incident to general management and

supervision of the corporation and such other duties as the Board of Directors shall designate from time to time.

(d) Duties of President and Chief Operating Officer. The President and Chief Operating Officer, at the request of the Chief Executive Officer or upon his absence or disability, or in the event of a vacancy in the office of Chief Executive Officer, shall exercise all the powers of Chief Executive Officer as provided in Subsection 29(c). The President and Chief Operating Officer shall, subject to the control of the Chief Executive Officer and the Board of Directors, exercise general management and supervision over the operating functions of the corporation, and shall authorize officers of the corporation, other than the Chairman of the Board and the Chief Executive Officer, to exercise such powers with respect to the operating function of the corporation as he, in his discretion, may deem to be in the best interests of the corporation. The President and Chief Operating Officer shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(e) Duties of Vice Presidents. The Vice Presidents, in the order of their seniority, may assume and perform the duties of the President and Chief Operating Officer in the absence or disability of the Chief Executive Officer and the President and Chief Operating Officer or whenever the offices of Chief Operating Officer and President and Chief Operating Officer are vacant. The Vice Presidents shall perform other duties commonly incident to their office and also shall perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer, or the President and Chief Operating Officer shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner, and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time. The Chief Executive Officer may direct any Assistant Chief Financial Officer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Assistant Chief Financial Officer shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(g) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors, and shall record all acts and proceedings thereof in the minute books of the corporation. The Secretary shall give notice in conformity with

these Bylaws of all meetings of the stockholders, and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties given him in these Bylaws and other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Chief Executive Officer may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

Section 30. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. (Del. Code Ann., tit. 8, Section 142(b))

Section 31. Removal. Any officer may be removed from office at any time, with or without cause, by the vote or written consent of a majority of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

Section 32. Compensation. The compensation of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such compensation by reason of the fact that such officer is also a director of the corporation.

ARTICLE VI

Execution of Corporate Instruments and Voting of Securities Owned by the Corporation

Section 33. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation. (Del. Code Ann., tit. 8, Secs. 103(a), 142(a), 158)

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the corporation, shall be executed, signed or endorsed by the Chairman of the Board, or the Chief Executive Officer, or the President or any

Vice President, and by the Secretary or Treasurer or any Assistant Secretary or Assistant Treasurer. All other instruments and documents requiring the corporate signature, but not requiring the corporate seal, may be executed as aforesaid or in such other manner as may be directed by the Board of Directors. (Del. Code Ann., tit. 8, Secs. 103(a), 142(a), 158)

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do. (Del. Code Ann., tit. 8, Secs. 103(a), 142(a), 158)

Section 34. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized to do so by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board, the Chief Executive Officer, the President, or any Vice President. (Del. Code Ann., tit. 8, Section 123)

ARTICLE VII

Shares of Stock

Section 35. Form and Execution of Certificates. The shares of the corporation shall be represented by certificates, provided that the Board of Directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by, the Chairman of the Board or any vice-chairman of the Board of Directors, or the Chief Executive Officer, or the President or any Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. (Del. Code Ann., tit. 8, Section158)

Section 36. Lost Certificates. The corporation may issue a new certificate of stock or uncertificated shares in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen or destroyed, and the corporation may require the owner of such lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to

indemnify it against any claim that may be made against the corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares. (Del. Code Ann., tit. 8, Section 167)

Section 37. Transfers. Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares. (Del. Code Ann., tit. 6, Section 8-401(1))

Section 38. Fixing Record Dates. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed: (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (b) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. (Del. Code Ann., tit. 8, Section 213)

Section 39. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware. (Del. Code Ann., tit. 8, Secs. 213(a), 219)

Section 40. Issuance, Transfer and Resignation of Shares. The Board of Directors may make such rules and regulations, not inconsistent with law or with these Bylaws, as it may deem advisable concerning the issuance, transfer and registration of certificates for shares of the capital stock of the corporation. The Board of Directors may appoint a transfer agent or registrar of transfers, or both, and may require all certificates for shares of the corporation to bear the signature of either or both.

ARTICLE VIII

Other Securities of the Corporation

Section 41. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates, may be signed by the Chairman of the Board, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

Dividends

Section 42. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation. (Del. Code Ann., tit. 8, Secs. 170, 173)

Section 43. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created. (Del. Code Ann., tit. 8, Section 171)

ARTICLE X

Fiscal Year

Section 44. Fiscal Year. Unless otherwise fixed by resolution of the Board of Directors, effective as of January 1, 1992, the fiscal year of the corporation shall end on the 31st day of the month of December in each calendar year.

ARTICLE XI

Indemnification of Directors, Officers Employees and Other Agents

Section 45. Indemnification of Directors, Officers, Employees and Other Agents.

(a) Directors and Officers. The corporation shall indemnify its directors and officers to the full extent permitted by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said Law permitted the corporation to provide prior to such amendment); provided, further, that the corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person or any proceeding by such person against the corporation or its directors, officers, employees or other agents unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation or (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Delaware General Corporation Law, or (iv) such indemnification is required to be made under subsection (d) of this Article XI.

(b) Other Employees and Other Agents. The corporation shall have the power to indemnify its other employees and other agents as set forth in the Delaware General Corporation Law.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of any such proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding upon receipt of any undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under this Bylaw or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (d) of this Bylaw, no advance shall be made by the corporation to an officer of the corporation in any action, suit or proceeding, whether civil, criminal, administrative or investigate, if a determination is reasonably and promptly made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (2) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion that, the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not reasonably believe to be in or not opposed to the best interests of the corporation, or, with respect to any criminal action or proceeding, such person believed or had reasonable cause to believe his conduct was unlawful, except by reason of the fact that such officer is or was a director of the corporation or is or was serving at the request of the corporation as a director of another corporation, joint venture, trust or other enterprise in which event this paragraph shall not apply.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or officer who serves in such capacity at any time while this Bylaw and other relevant provisions of the Delaware General Corporation Law and other applicable law, if any, are in effect. Any right to indemnification or advances granted by this Bylaw to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer is or was a director of the corporation or is or was serving at the request of the corporation as a director of another corporation, partnership, joint venture, trust or other enterprise) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not reasonably believe to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, such person believed or had reasonable cause to believe his conduct was unlawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action

that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Article XI or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, as provided by law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the Delaware General Corporation Law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

(h) Amendments. Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Savings Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and officer to the full extent permitted by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any

threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Bylaw with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a "director," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Bylaw.

ARTICLE XII

Notices

Section 46. Notices.

(a) Notice to Stockholders. Whenever under any provisions of these Bylaws notice is required to be given to any stockholder, it shall be given in writing, timely and duly deposited in the United States mail, postage prepaid, and addressed to his last known post office address as shown by the stock record of the corporation or its transfer agent. (Del. Code Ann., tit. 8, Section 222)

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or by telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Address Unknown. If no address of a stockholder or director be known, notice may be sent to the office of the corporation required to be maintained pursuant to Section 2 hereof.

(d) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall be conclusive evidence of the statements therein contained. (Del. Code Ann., tit. 8, Section 222)

(e) Time Notices Deemed Given. All notices given by mail, as above provided, shall be deemed to have been given as at the time of mailing and all notices given by telegram shall be deemed to have been given as at the sending time recorded by the telegraph company transmitting the notices.

(f) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all directors, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(g) Failure to Receive Notice. The period or limitation of time within which any stockholder may exercise any option or right, or enjoy any privilege or benefit, or be required to act, or within which any director may exercise any power or right, or enjoy any privilege, pursuant to any notice sent him in the manner above provided, shall not be affected or extended in any manner by the failure of such stockholder or such director to receive such notice.

(h) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license

or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the Delaware General Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful. (Del. Code Ann., tit. 8, Section 230)

ARTICLE XIII

Amendments

Section 47. Amendments. These Bylaws may be repealed, altered or amended or new Bylaws adopted by the stockholders. The Board of Directors also shall have the authority, if such authority is conferred upon the Board of Directors by the Certificate of Incorporation, to repeal, alter or amend these Bylaws or adopt new Bylaws (including, without limitation, the amendment of any Bylaw setting forth the number of directors who shall constitute the whole Board of Directors) subject to the power of the stockholders to change or repeal such Bylaws and provided that the Board of Directors shall not make or alter any Bylaws fixing the qualifications, classifications, term of office or compensation of directors. (Del. Code Ann., tit. 8, Secs. 109(a), 122(6))

ARTICLE XIV

Loans of Officers and Others

Section 48. Certain Corporate Loans and Guaranties. The corporation may make loans of money or property to, or guarantee the obligations of, or otherwise assist any officer or other employee who is a director of the corporation or its parent or any subsidiary, or adopt an employee benefit plan or plans authorizing such loans or guaranties, upon the approval of the Board of Directors alone if the Board of Directors determines that such a loan or guaranty or plan may reasonably be expected to benefit the corporation.

EXHIBIT 10.50

FIRST AMENDMENT TO THE AMGEN INC. AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 1998

The Amgen Inc. Amended and Restated Employee Stock Purchase Plan (effective October 22, 1996) (the "Plan") is hereby amended, effective as of January 1, 1998, in the following respects:

1. Section 7(a) of the Plan is amended and restated to read in its entirety as follows:

7. PARTICIPATION; WITHDRAWAL; TERMINATION.

(a) An eligible employee may become a participant in an Offering by delivering a participation agreement to the Company within the time specified in the Offering, in such form as the Company provides. Each such agreement shall authorize payroll deductions of up to the maximum percentage specified by the Board or the Committee of such employee's Earnings during the Purchase Period. "Earnings" is defined as the total compensation paid to an employee, including all salary, wages (including amounts elected to be deferred by the employee, that would otherwise have been paid, under any cash or deferred arrangement established by the Company), overtime pay, commissions, bonuses, and other remuneration paid directly to the employee, but excluding profit sharing, the cost of employee benefits paid for by the Company, education or tuition reimbursements, imputed income arising under any Company group insurance or benefit program, traveling expenses, business and moving expense reimbursements, income received in connection with stock options, contributions made by the Company under any employee benefit plan, certain cost of living allowances and tax equalization payments made to employees whose payroll originates in the United States and who are working outside the United States, and similar items of compensation or such other inclusions or exclusions as the Board or Committee may determine for one or more specified Offerings. The payroll deductions made for each participant shall be credited to an account for such participant under the Plan and shall be deposited with the general funds of the Company. A participant may reduce (including to zero), increase or begin such payroll deductions after the beginning of any Purchase Period only as provided for in the Offering. A participant may make additional payments into his or her account only if specifically provided for in the Offering and only if the participant has not had the maximum amount withheld during the Purchase Period.

To record this First Amendment to the Plan as set forth herein, Amgen Inc. has caused its authorized officer to execute this document this 17th of June, 1997.

AMGEN INC.

By: /s/ George A. Vandeman
George A. Vandeman

Title: Senior Vice President,
General Counsel and
Secretary

EXHIBIT 10.51

THIRD AMENDMENT TO THE
AMGEN RETIREMENT AND SAVINGS PLAN
AS AMENDED AND RESTATED EFFECTIVE APRIL 1, 1996

The Amgen Retirement and Savings Plan As Amended and Restated Effective April 1, 1996 (the "Plan") is hereby amended, effective January 1, 1997, as follows:

Section 2.32 of the Plan is amended to read in its entirety as follows:

2.32 "Hour of Service" means:

(a) Each hour for which an Employee is directly or indirectly paid, or entitled to payment, by a member of the Affiliated Group for the performance of services,

(b) Each hour for which an Employee is directly or indirectly paid, or entitled to payment, by a member of the Affiliated Group on account of a period of time during which no services are performed (without regard to whether the employment relationship between the Employee and the member of the Affiliated Group has terminated) due to vacation, holiday, illness, incapacity, disability, layoff, jury duty, military duty or leave of absence with pay, and

(c) Each hour for which an Employee is directly or indirectly paid, or entitled to payment of an amount as back pay (without regard to mitigation of damages) either awarded or agreed to by a member of the Affiliated Group.

The foregoing notwithstanding:

(1) No more than 501 Hours of Service shall be credited to an Employee under Subsection (b) or (c) above on account of any single continuous period of time during which no services are performed.

(2) An hour for which an Employee is directly or indirectly paid or entitled to payment by a member of the Affiliated Group on account of a period during which no services are performed shall not constitute an Hour of Service hereunder if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation or disability insurance laws.

(3) Hours of Service shall not be credited for payments that solely reimburse an Employee for medical or medically related expenses.

(4) The same Hour of Service shall not be credited to an Employee both under Subsection (a) or (b) and under Subsection (c).

(5) The computation period to which Hours of Service determined under Subsection (b) or (c) are to be credited shall be determined under applicable federal law and regulations, including, without limitation, Department of Labor Regulation Section 2530.200b-2(b), (c) and (d).

The Company shall determine the number of Hours of Service, if any, to be credited to an Employee under the foregoing rules in a uniform and nondiscriminatory manner and in accordance with applicable federal laws and regulations, including, without limitation, Department of Labor

Regulation Section 2530.200b-2(b), (c) and (d) and Section 2530.200b-3. For purposes of the application of Department of Labor Regulation Section 2530.200b-3, an Employee who is compensated on a salaried basis or for whom hourly records are not maintained shall be credited with ninety-five (95) Hours of Service for each semi-monthly payroll period for which he or she would be required to be credited with at least one Hour of Service under the preceding provisions of this section.

To record this Third Amendment to the Plan as set forth herein, the Company has caused its authorized officer to execute this document this 16th day of June, 1997.

AMGEN INC.

By: /s/ George A. Vandeman
George A. Vandeman

Title: Senior Vice President,
General Counsel and
Secretary

EXHIBIT 10.52

ASTERISKS (*) INDICATE CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SEC.

HEADS OF AGREEMENT

between

Amgen Inc.....and
Kirin-Amgen, Inc.....on the one hand

and

F. Hoffmann-La Roche Ltd.....on the other hand.

Whereas:

Amgen and Roche have entered into various agreements on G-CSF in the European Union ("AMRO Agreements") and other European countries ("ROE") and Kirin-Amgen and Roche have entered into such agreements for the rest of the world ("ROW").

Roche entered into a license agreement with ********** on a ********** ********** ("***** Product") on January 1, 1996 ("********** License").

Amgen and Roche have agreed to modify their present relationship as follows:

1. Certain Rights

1.1	********** License	Concurrently herewith, Roche will terminate or relinquish the ********** License for ********** and Roche shall cause its affiliate company - La Roche Inc., Nutley, New Jersey USA to terminate or relinquish the ********** license for the United States as of the date hereof, such that the rights to the ***** Product in those territories will revert to **********.
1.2	License Grant	Roche will grant to and cause Hoffmann-La Roche Inc. to grant to Amgen and Kirin-Amgen ********** for the U.S., ********** covering all intellectual property, now owned or hereafter developed or acquired by Roche and Hoffmann-La Roche Inc., which relates to the

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********** ********** ********** Such ********** shall be limited to:

(*)********** ********** ********** **********

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Such ********** other than G-CSF (Neupogen) are referred to elsewhere herein as "Second Generation Products."

Such license shall terminate upon the date of termination of the AMRO Agreements as extended herein; provided, however, that if the AMRO Agreements are terminated for "Good Cause" (as defined therein) by Amgen, such license will continue in effect until the date specified in Section 2.1.

2. Extension of AMRO

2.1 Extension of AMRO; In consideration of the rights granted

	Term	and relinquished pursuant to Section 1, above, and the other terms contained herein, the AMRO Agreements between Amgen and Roche will be extended and modified, as set forth below. The term of the AMRO Agreements shall be extended to December 31, 2010, or ********** ********** ********** ********** ********** ********** whichever is later. If, however, ********** *, the term of the AMRO Agreement ******* ******** until the ********** ********** **********
2.2	AMRO Territory	All countries ********** and those countries which ********** of the AMRO Agreements.
2.3	Profit Split	The profit split ********** shall be:

	Amgen/Roche
****	*****
****	*****
****	*****
**** and beyond	*****

2.4	**********	Effective upon the date of this Heads of Agreement, ********** shall include ********** ******* required to be paid ********** ********** The ********** payable as of the date hereof are set forth on Exhibit A attached hereto. ********** ** shall be included in ********** than those related in Exhibit A (**********).
2.5	Roche Sales Force	********** **********

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3. Other Matters

3.1 Continuation of Other AMRO Changes

Except as provided in Section 2.5, the process of shifting to Amgen marketing, licensing/regulatory, distribution, invoicing, etc. which is currently underway for G-CSF (Neupogen) shall continue as per the AMRO Agreements and not be affected by this extension and amendment.

3.2 Development

3.2.1 Products

It is the desire of the parties to develop a Second Generation Product. The decision by Amgen and Roche to develop a Second Generation Product shall be
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**********, the Second Generation Product shall be deemed to be a "Product" within the meaning of the AMRO Agreement and development will be governed by the

terms thereof. The specific product to be developed shall be **********, in accordance with the Evaluation Plan attached hereto as Exhibit B. Upon selection of a Product for development following completion of the Evaluation Plan, Amgen and Roche shall prepare a Development Plan. Thereafter, Amgen and Roche shall exercise commercially reasonable efforts to develop and commercialize the Product in accordance with the Development Plan in the AMRO territory. Amgen shall control development, preclinical, clinical, regulatory and marketing of a Second Generation Product and shall distribute, and
****
****
The Development Plan including launch date shall be mutually agreed upon.

3.2.2 ********** License — If the agreed upon Second Generation Product includes any technology covered by the ********** patents, Roche will grant Amgen ********** sublicense for the EU under any rights Roche may have with respect to the ********** patents under the ********** license.

3.2.3 Amgen Products

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***** This paragraph shall not apply to G-CSF (Neupogen) or a Second Generation Product which Amgen or its licensee/partner brings to the EU in a cell therapy ex-vivo expansion application.

3.2.4 Roche Products

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3.2.5 Development Costs

Effective upon the date of this Heads of Agreement, Amgen and Roche shall share, in accordance with the then current profit split under the AMRO Agreement, ********** in the AMRO territory, including:

- **********;

- **********
****
**; and

- **********
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********** License. Such costs shall include ********* payable to ********** as follows:

a) ********** of the net sales of ***** Product **********; provided, however, that in the event that

(1) certain ********* have to be paid to a third party due to a patent issue, in such case the ******* payable to ***** shall be **********
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; or

(2) such ***** Product shall face significant competition from a third party **********
****
********** the ******* payable to ***** in any such country shall be **********
****
*******;

provided further that the ********** in the aggregate from (1) and (2) shall not cause the ********** payable to ***** to be less than **********.

If both (1) and (2) are applicable, the calculation in (1) shall be made first and then (2) shall be calculated.

b) For a Second Generation Product covered by ******* patents other than the product in a) all ********** as per a) will be ******* by **********.

c) For a Second Generation Product which would not be covered by ******* patents, all ********** as per a) will be ******* by ***.

d) The ********* under c) above shall be payable so long as the ********** License is in full force and effect.

Such costs shall also include the ********** payable to ********** as follows:

(1) **********

********** ********** ********** shall be payable within ********* after the signature of these Heads of Agreement.

(2) **********

********** ********** ******* shall be payable within ********** after the first entry of a patient in a ********** with a Second Generation

Product or in any EU country or ********** as agreed to in the time and events schedule in the Development Plan (to be established after the evaluation period), whichever is earlier.

(3) **********

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******* shall be payable within **********
after 50% of patients have been enrolled in a
********** with a Second Generation Product in any EU country, or to
****
****** as agreed to in the time and events schedule of Development Plan, whichever occurs earlier.

(4) **********

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** shall be payable within **********
after the submission of the first Second Generation Product license
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******** to the Authority in
****
******* or the
********** as agreed to in the time and events schedule in the Development Plan, whichever is earlier.

(5) With respect to
****
****

* of (3) above and ***************************** ***************************** ***************** of (4) above, shall be ****************** the payment of ******* payable to *****.

3.2.6 ********* of Second Generation Products

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3.2.7 Rest of Europe

If a Second Generation Product is successfully developed and approved for the EU, it is the intention of the parties that if such rights are available Roche be granted the rights to sell the Product in ********** ("ROE") under the terms of the existing agreements; provided, however, that Amgen and Roche shall negotiate in good faith the terms of such license, in accordance with the following principles:

3.2.7.1 if the Second Generation Product is not a ***** Product and does not use the ********** covered by the ********** License, the royalty payable by Roche to Amgen will be **********,

3.2.7.2 if the Second Generation Product is not a ***** Product but does use the ********** covered by the ********** License, the royalty payable by Roche to Amgen will be ********** that specified in Section 3.2.7.1, and

3.2.7.3 if the Second Generation Product is a ***** Product,

the royalty payable by Roche to Amgen will be ********** that specified in Section 3.2.7.2.

In such good faith negotiations the parties will take into account all factors relevant to each of them, including without limitation royalties each party may be required to pay to third parties, the relative contribution of the parties to the particular Second Generation Product and who is the manufacturer and at what cost. The term of the ROE Agreement shall be until ********** ********** ********** **********, whichever date is later.

3.2.8 Rest of World — If a Second Generation Product is successfully developed and approved for the EU, it is the intention of the parties that if such rights are available Roche be granted the rights to sell the Product throughout the world, ********** ********** ********** ("ROW") under the terms of the existing agreements. Kirin-Amgen or Amgen, as the case may be, and Roche shall negotiate in good faith a modification of the terms of such license, in accordance with the following principles:

3.2.8.1 if the Second Generation Product is not a ***** Product and does not use the ********** covered by the ********** License, the royalty payable by Roche to Kirin-Amgen will be **********,

3.2.8.2 if the Second Generation Product is not a ***** Product but does use the ********** covered by the ********** License, the royalty payable by Roche

to Kirin-Amgen will be ********** that specified in Section 3.2.8.1, and

3.2.8.3. if the Second Generation Product is a ***** Product, the royalty payable by Roche to Kirin-Amgen will be ********** that specified in Section 3.2.8.2.

In such good faith negotiations the parties will take into account all factors relevant to each of them, including without limitation royalties each party may be required to pay to third parties, the relative contribution of the parties to the particular Second Generation Product and who is the manufacturer and at what cost. The term of the ROW Agreement shall be until the ********** ********** ********** **********, whichever date is later. Roche agrees to ********* with Kirin such Second Generation Product in the following countries: ********** ********** **********.

3.3	Manufacture by **********	If the Second Generation Product is the ***** Product, ***** shall have the rights to manufacture the product for the EU, ROE and ROW.
3.4	Manufacture by Amgen	All Second Generation Products other than a ********** Product will be manufactured by Amgen for the EU.
3.5	Definitive Agreement	The parties shall enter into a definitive agreement within ninety (90) days following execution of this Heads of Agreement.
3.6	Miscellaneous	Sections 7.01 (a) and 11.01 of the AMRO Agreements shall be revised to reflect the new profit splits and to provide for the sharing of Operating Losses in

accordance with the profit splits for the term of AMRO.

The AMRO Agreements shall be revised to change the functional currency from Swiss Francs to U.S. Dollars.

The AMRO Agreements shall no longer provide for ********** to Roche.

There is nothing in the Kirin-Amgen Agreements that restricts Amgen or Kirin-Amgen from fulfilling its obligations under this Agreement regarding any Second Generation Product in the EU, ROE and ROW.

There is nothing in this Agreement that restricts any party from commercializing in the ROE and ROW a Second Generation Product that is not being commercialized in the EU.

The Heads of Agreement will become binding upon the parties upon the execution hereof. Although binding upon the parties, the terms hereof shall be incorporated in a definitive amendment to the AMRO Agreements containing additional terms, including terms addressing individual country issues that exist between the parties.

Dated: April 10, 1997

F. HOFFMANN-LA ROCHE LTD

By: /s/ Werner Henrich

Dated: April 10, 1997

AMGEN INC.

By: /s/ George A. Vandeman

Dated: April 10, 1997

KIRIN-AMGEN, INC.
BY AMGEN INC.

By: /s/ George A. Vandeman

Dated: April 10, 1997

ASTERISKS (*) INDICATE CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SEC.

Exhibit A

Party	*******
**********	**********
**********	**********
*******	**********
********	****
**********	**

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Exhibit B

Evaluation Plan

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EXHIBIT 11

AMGEN INC.
COMPUTATION OF PER SHARE EARNINGS
PRIMARY COMPUTATION
(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
Net income	$200.5	$178.7	$380.8	$322.3
Applicable common and common stock equivalent shares:				
Weighted average shares of common stock outstanding during the period	265.3	264.9	265.3	265.4
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options	12.2	16.0	12.5	16.8
Weighted average shares of common stock and common stock equivalents outstanding during the period	277.5	280.9	277.8	282.2
Earnings per common share primary	$ .72	$ .64	$ 1.37	$ 1.14

EXHIBIT 11

AMGEN INC.
COMPUTATION OF PER SHARE EARNINGS
FULLY DILUTED COMPUTATION
(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
Net income	$200.5	$178.7	$380.8	$322.3
Applicable common and common stock equivalent shares:				
Weighted average shares of common stock outstanding during the period	265.3	264.9	265.3	265.4
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options	12.2	16.0	12.5	16.8

Weighted average shares of common stock and common stock equivalents outstanding during the period	277.5	280.9	277.8	282.2
Earnings per common share fully diluted	$ .72	$ .64	$ 1.37	$ 1.14

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6-MOS
DEC-31-1997
JUN-30-1997
331
894
229
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106
1646
1045
65
3043
588
0
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0
0
2270
3043
1103
1196
149
701
0
0
1
529
148
0
0
0
0
381
1.37
1.37

EXHIBIT 99

AMGEN INC.

FACTORS THAT MAY AFFECT FUTURE RESULTS

Factors That May Affect Future Results

Amgen operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. The following discussion highlights some of these risks and others are discussed elsewhere herein and in other documents filed by the Company with the Securities and Exchange Commission.

Period to period fluctuations

The Company's operating results may fluctuate for a number of reasons. The forecasting of revenue is inherently uncertain for a variety of reasons. Because the Company plans its operating expenses, many of which are relatively fixed in the short term, on the basis that revenues will continue to grow, even a relatively small revenue shortfall may cause a period's results to be below expectations. Such a revenue shortfall could arise from any number of factors, including lower than expected demand, wholesalers' buying patterns, product pricing strategies, fluctuations in foreign currency exchange rates, changes in government or private reimbursement, transit interruptions, overall economic conditions or natural disasters (including earthquakes).

See "Results of Operations - Product sales - NEUPOGEN(R) (Filgrastim)" for a discussion regarding quarterly NEUPOGEN(R) sales.

The Company's stock price, like that of other biotechnology companies, is subject to significant volatility. If revenues or earnings in any quarter fail to meet the investment community's expectations, there could be an immediate impact on the Company's stock price. The stock price may also be affected by, among other things, clinical trial results and other product development related announcements by Amgen or its competitors, regulatory matters, intellectual property and legal matters, or broader industry and market trends unrelated to the Company's performance.

Rapid growth

In light of management's views of the potential for future growth of the Company's business, the Company has adopted an aggressive growth plan that includes substantial and increased investments in research and development and investments in facilities that will be required to support significant growth. This plan carries with it a number of risks, including a higher level of operating expenses, the difficulty of attracting and assimilating a large number of new employees, and the complexities associated with managing a larger and faster growing organization.

Product development

The Company intends to continue to develop product candidates. Successful product development in the biotechnology industry is highly uncertain and only a small minority of research and development programs ultimately result in commercially successful drugs. Product development is dependent on numerous factors, many of which are beyond the Company's control. Product candidates that appear promising in the early phases of development may fail to reach market for numerous reasons. They may be found to be ineffective or to have harmful side effects in clinical or preclinical testing, fail to receive necessary regulatory approvals, be uneconomic because of manufacturing costs or other factors, or be precluded from commercialization by the proprietary rights of others. Success in preclinical and early clinical trials does not ensure that large scale clinical trials will be successful. Clinical results are frequently susceptible to varying interpretations which may delay,

limit or prevent further clinical development or regulatory approvals. The length of time necessary to complete clinical trials and receive approval for product marketing by regulatory authorities varies significantly by product and indication and is often difficult to predict.

Regulatory approvals

The success of current products and future product candidates of the Company will depend in part upon maintaining and obtaining regulatory approval to market products. Domestic and foreign statutes and regulations govern matters relating to the Company's products and product candidates and the research and development activities associated with them. The Company's product candidates may prove to have undesirable side effects that may interrupt or delay clinical studies and could ultimately prevent or limit their commercial use. The Company or regulatory authorities may suspend or terminate clinical trials at any time if the participants in such trials are believed to be exposed to unacceptable health risks. Even if regulatory approval is obtained, a marketed product and its manufacturer are subject to continued review. Later discovery of previously unknown problems with a product or manufacturer may result in restrictions on such product or manufacturer, including withdrawal of the product from the market. Failure to obtain necessary approvals, or the restriction, suspension, or revocation of any approvals, or the failure to comply with regulatory requirements could have a material adverse effect on the Company.

Reimbursement

The success of the Company's products partially depends upon the extent to which a consumer is willing to pay the price or able to obtain reimbursement for the cost of these products from government health administration authorities, private health insurers, and other organizations. Significant uncertainties exist as to the reimbursement status of newly approved therapeutic products, and current reimbursement policies for existing products may change. It is possible that changes in reimbursement or failure to obtain reimbursement may reduce the demand for or the price of the Company's products.

Several factors could influence the pricing or reimbursement for the Company's products including: (1) third-party payors continuing to challenge the prices charged for medical services and products, (2) the trend towards managed care in the United States, (3) the growth of organizations which could control or significantly influence the purchase of health care services and products, and (4) legislative proposals to reform health care or reduce government insurance programs. NEUPOGEN(R) usage has been and is expected to continue to be affected by cost containment pressures on health care providers worldwide. In addition, patients receiving EPOGEN(R) in connection with treatment for end stage renal disease are covered primarily under medical programs provided by the federal government. Therefore, EPOGEN(R) sales may also be affected by future changes in reimbursement rates or the basis for reimbursement by the federal government.

Competition

Substantial competition exists in the biotechnology industry from pharmaceutical and biotechnology companies which may have technical or competitive advantages. The Company competes with these companies in the development of technologies and processes and sometimes competes with them in acquiring technology from academic institutions, government agencies, and other private and public research organizations. There can be no assurance that the Company will be able to produce or acquire rights to products that have commercial potential. Even if the Company achieves product commercialization, there can be no assurance that one or more of the Company's competitors may not: (1) achieve product commercialization earlier than the Company, (2) receive patent protection that dominates or adversely affects the Company's activities, or (3) have significantly greater marketing capabilities.

The field of biotechnology has undergone rapid and significant technological change. The Company expects that the technology associated with the Company's research and development will continue to develop rapidly, and the Company's future success will depend in large part on its ability to maintain a competitive position with respect to this technology. Rapid technological development by the Company or others may result in some of the Company's product candidates, products, or processes becoming obsolete before the Company recovers a significant portion of the research, development, manufacturing, and commercialization expenses it incurs. This could have a material adverse effect on the Company.

Intellectual property and legal matters

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and involve complex legal and factual questions. Accordingly the breadth of claims allowed in such companies' patents cannot be predicted. Patent disputes are frequent and can preclude commercialization of products. The Company is and may in the future be involved in material patent litigation. Such litigation, if decided adversely, could subject the Company to significant liabilities and cause the Company to obtain third party licenses or cease using the technology or product in dispute.

The Company is involved in arbitration proceedings with Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson ("Johnson & Johnson"), relating to a license granted by the Company to Johnson & Johnson for sales of Epoetin alfa in the United States for all human uses except dialysis and diagnostics. See Note 4 to the Condensed Consolidated Financial Statements - "Contingencies - Johnson and Johnson arbitrations." While it is impossible to predict accurately or determine the outcome of these proceedings, based primarily upon the merits of its claims and based upon certain liabilities established due to the inherent uncertainty of any arbitrated result, the Company believes that the outcome of these proceedings will not have a material adverse effect on its financial statements. However, it is possible that an adverse decision could, depending on its magnitude, have a material adverse effect on the financial statements.