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 September 30, 1994

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 September 30, 1994, the registrant had 132,909,959 shares of Common Stock, $.0001 par value, outstanding.

AMGEN INC.

INDEX

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information in this report for the three and nine months ended September 30, 1994 and 1993, is unaudited but includes all adjustments (consisting only of normal recurring accruals) which Amgen Inc. ("Amgen" or the "Company") considers necessary for a fair presentation of the results of operations for those periods.

The condensed financial statements should be read in conjunction with the Company's financial statements and the notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993.

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

AMGEN INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994	1993
Revenues:				
Product sales	$401,695	$335,752	$1,136,001	$ 959,033
Corporate partner revenues	16,898	13,757	49,727	36,072
Royalty income	7,762	5,343	19,310	13,110
Total revenues	426,355	354,852	1,205,038	1,008,215
Operating expenses:				
Cost of sales	59,126	58,261	176,803	162,726
Research and development	81,597	63,276	235,552	183,766
Marketing and selling	61,921	51,678	174,685	151,461
General and administrative	31,903	27,515	90,397	83,786
Loss of affiliates, net	9,794	4,706	25,678	10,178
Legal award	-	-	-	(13,900)
Total operating expenses	244,341	205,436	703,115	578,017
Operating income	182,014	149,416	501,923	430,198
Other income (expense):				
Interest and other income	6,794	3,121	16,029	18,388
Interest expense, net	(3,387)	(2,163)	(8,774)	(3,688)
Total other income (expense)	3,407	958	7,255	14,700
Income before income taxes and cumulative effect of a change in accounting principle	185,421	150,374	509,178	444,898
Provision for income taxes	71,465	47,682	194,298	161,422
Income before cumulative effect of a change in accounting principle	113,956	102,692	314,880	283,476
Cumulative effect of a change in accounting principle	-	-	-	8,738
Net income	$113,956	$102,692	$ 314,880	$ 292,214

See accompanying notes.
(Continued on next page)

AMGEN INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Continued)
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994	1993
Earnings per share:				
Primary:				
Income before cumulative effect of a change in accounting principle	$ .82	$ .72	$ 2.25	$ 1.97
Cumulative effect of a change in accounting principle	-	-	-	.06
Net income	$ .82	$ .72	$ 2.25	$ 2.03
Fully diluted:				
Income before cumulative effect of a change in accounting principle	$ .82	$ .72	$ 2.23	$ 1.97
Cumulative effect of a change in accounting principle	-	-	-	.06
Net income	$ .82	$ .72	$ 2.23	$ 2.03
Shares used in calculation of:				
Primary earnings per share	139,246	142,419	140,021	144,067
Fully diluted earnings per share	139,530	142,817	140,948	144,067

See accompanying notes.

AMGEN INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	September 30, 1994	December 31, 1993
ASSETS		
Current assets:		
Cash and cash equivalents	$ 301,529	$ 128,505
Marketable securities, at cost which approximates market	452,083	594,679
Trade receivables, net	186,220	164,337
Inventories	87,191	74,712
Deferred tax assets, net	55,859	58,937
Other current assets	37,067	33,340
Total current assets	1,119,949	1,054,510
Property, plant and equipment at cost, net	625,515	586,912
Investments	92,119	78,778
Other assets	54,892	45,323
	$1,892,475	$1,765,523
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 21,945	$ 23,056
Commercial paper	99,602	109,767
Other accrued liabilities	263,455	279,438
Total current liabilities	385,002	412,261
Long-term debt	185,862	181,242
Commitments and contingencies		
Stockholders' equity:		
Common stock, $.0001 par value; 750,000 shares authorized; outstanding - 132,910 shares in 1994 and 134,214 shares in 1993	13	13
Additional paid-in capital	696,883	636,217
Retained earnings	624,715	535,790
Total stockholders' equity	1,321,611	1,172,020
	$1,892,475	$1,765,523

See accompanying notes.

AMGEN INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	1994	1993
Cash flows from operating activities:		
Net income	$314,880	$292,214
Depreciation and amortization	55,068	38,474
Cumulative effect of an accounting change	-	(8,738)
Other non-cash expenses	2,737	4,676
Deferred income taxes	3,078	26,729
Loss of affiliates, net	25,678	10,178
Cash used in:		
Trade receivables, net	(21,883)	(49,904)
Inventories	(12,479)	(17,023)
Other current assets	(3,727)	(1,591)
Accounts payable	(1,111)	(16,905)
Accrued liabilities	(14,436)	(33,096)
Net cash provided by operating activities	347,805	245,014
Cash flows from investing activities:		
Purchases of property, plant and equipment	(93,671)	(165,615)
Decrease in marketable securities	142,596	49,494
Increase in investments	(18,851)	(17,096)
Increase in other assets	(9,569)	(25,029)
Net cash provided by (used in) investing activities	20,505	(158,246)

See accompanying notes.
(Continued on next page)

AMGEN INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	1994	1993
Cash flows from financing activities:		
Net (decrease) increase in commercial paper	$(10,165)	$ 79,747
Proceeds from issuance of long-term debt	12,499	53,054
Repayment of long-term debt	(9,426)	(1,478)
Net proceeds from issuance of common stock	30,676	13,390
Tax benefit related to stock options	14,487	18,200
Net proceeds from issuance of warrants	15,330	1,665
Repurchases of common stock	(225,955)	(164,096)
Other	(22,732)	(16,269)
Net cash used in financing activities	(195,286)	(15,787)
Increase in cash and cash equivalents	173,024	70,981
Cash and cash equivalents at beginning of period	128,505	92,048
Cash and cash equivalents at end of period	$301,529	$163,029

See accompanying notes.

AMGEN INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 1994

1. Summary of significant accounting policies

Business

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

Principles of consolidation

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

Inventories

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

	September 30, 1994	December 31, 1993
Raw materials	$13,271	$ 8,001
Work in process	51,500	47,138
Finished goods	22,420	19,573
	$87,191	$74,712

Product sales

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

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

Foreign currency transactions

The Company hedges certain portions of its exposure to anticipated foreign currency cash flows due to its business operations in Switzerland, European Union countries ("EU" - formerly known as the European Community), Japan, and to a much lesser extent, Canada and Australia. In addition, the Company hedges receivables and payables denominated in currencies of these countries. The Company uses forward and option foreign exchange contracts which involve the exchange of two currencies at a stated future date. All of these contracts mature within one year, with approximately 90% maturing within three months. At September 30, 1994, the Company had forward and option foreign exchange contracts in the amount of $275 million and $14 million, respectively. These contracts are marked-to-market to reflect changes in their market values. The foreign currency gains and losses on these contracts were not material for

the nine months ended September 30, 1994.

Income taxes

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

Earnings per share

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

Basis of presentation

The financial information for the nine months ended September 30, 1994 and 1993, are unaudited but include all adjustments (consisting only of normal recurring accruals) which the Company considers necessary for a fair presentation of the results of operations for these periods. Interim results are not necessarily indicative of results for the full fiscal year.

Reclassification

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

2. Debt

As of September 30, 1994, $99.6 million of commercial paper was outstanding. These borrowings had maturities of three months or less and had effective interest rates averaging 4.9%.

During the nine months ended September 30, 1994, the Company's unsecured credit facility (the "credit facility") was extended through June 1995. As of September 30, 1994, $150 million was available under the Company's line of credit pursuant to the credit facility for borrowing and to support the Company's commercial paper program.

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

	September 30, 1994	December 31, 1993
Medium Term Notes	$113,000	$103,000
Promissory notes	68,200	68,200
Other long-term obligations	4,844	11,771
	186,044	182,971
Less current portion	(182)	(1,729)
	$185,862	$181,242

The Company has registered $200 million of unsecured medium term debt securities ("Medium Term Notes") of which $113 million were outstanding at September 30, 1994. During the nine months ended September 30, 1994, the Company issued an additional $10 million of Medium Term Notes with five year maturities at a fixed rate of 5.5%.

3. Income taxes

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994	1993
Federal	$60,899	$39,031	$166,786	$133,136
State	10,566	8,651	27,512	28,286
Total	$71,465	$47,682	$194,298	$161,422

======= ======= ======== ========

4. Commitments and contingencies

Johnson & Johnson arbitration

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

In January 1989, Johnson & Johnson initiated arbitration proceedings with respect to a number of disputes which had arisen between Amgen and Johnson & Johnson as to the respective rights and obligations of the parties under the various agreements between them. Amgen filed a cross petition for arbitration raising additional disputes for resolution by the arbitrator. The scope of the arbitration covers erythropoietin, hepatitis B vaccine, and interleukin-2.

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

In June 1991, the arbitrator issued an opinion awarding Johnson & Johnson $164 million on its claims regarding erythropoietin. In September 1992, the arbitrator found that Johnson & Johnson had breached its obligations regarding hepatitis B vaccine and interleukin-2, and in January 1993 awarded the Company approximately $90 million in damages against Johnson & Johnson. In January 1993, the Company paid Johnson & Johnson the sum of $82.4 million, representing the difference between the damages awarded Johnson & Johnson as a result of its erythropoietin claims, and the amounts awarded Amgen against Johnson & Johnson as a result of its hepatitis B vaccine and interleukin-2 claims, plus interest. Johnson & Johnson returned to the Company the rights to develop and market hepatitis B vaccine and interleukin-2 in March 1991.

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

A trial date has been set for May 1, 1995 before the arbitrator regarding the accounting methodologies and compensation for sales by Johnson & Johnson into Amgen's contractual market and sales by Amgen into Johnson & Johnson's contractual market. Discovery as to these issues is in progress.

While it is not possible to predict accurately or determine the eventual outcome of this matter, the Company believes that the outcome of this legal proceeding will not have a material adverse effect on the financial statements of the Company.

Other litigation

The Company is engaged in various other legal proceedings

including patent disputes. While it is not possible to predict accurately or 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.

5. Stockholders' equity

During the nine months ended September 30, 1994, the Company acquired 5.1 million shares of its common stock at a total cost of $226 million under its common stock repurchase program. At September 30, 1994, $105.7 million of the amount approved by the Board of Directors remained available for repurchase through December 31, 1994. Stock repurchased under the program is retired and such repurchases offset dilutive effects of the Company's employee benefit stock option and stock purchase plans.

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

Liquidity and Capital Resources

The Company had cash, cash equivalents and marketable securities of $753.6 million at September 30, 1994, compared with $723.2 million at December 31, 1993. Cash provided by operating activities has been and is expected to continue to be the Company's primary source of funds. During the nine months ended September 30, 1994, operations provided $347.8 million of cash compared with $245 million of cash for the same period last year. The amount in the prior year period reflects a payment of $82.4 million to Johnson & Johnson in settlement of an obligation resulting from an arbitration proceeding (see "Legal Matters - Johnson & Johnson arbitration") and an increase in trade accounts receivable due to a temporary extension of payment terms to EPOGEN(R) customers.

Capital expenditures totaled $93.7 million for the nine months ended September 30, 1994, compared with $165.6 million for the same period a year ago. The reduction in capital expenditures is due to the completion of several facilities in 1993, including the Puerto Rico fill and finish facility. Over the next few years, the Company expects to spend approximately $100 million to $200 million per year on capital projects. These expenditures will be used primarily to expand the Company's operations.

The Company has an ongoing common stock repurchase program to offset dilutive effects of its employee benefit stock option and stock purchase plans. Since its inception in 1992 through September 30, 1994, the Company has repurchased 11.6 million shares of its common stock at a total cost of $519.3 million, and is authorized to purchase up to an additional $105.7 million through December 31, 1994. During the nine months ended September 30, 1994, the Company repurchased 5.1 million shares of common stock at a cost of $226 million.

To provide for financial flexibility and increased liquidity, the Company has established several sources of debt financing. The Company has filed a shelf registration statement with the Securities and Exchange Commission under which it could issue up to $200 million of Medium Term Notes. At September 30, 1994, $113 million of Medium Term Notes were outstanding which mature in two to nine years. The Company has a commercial paper program which provides for short-term borrowings up to an aggregate face amount of $200 million. At September 30, 1994, $99.6 million of commercial paper was outstanding with maturities of three months or less. As individual issuances under this program mature, the Company may issue new debt either in the form of commercial paper or Medium Term Notes depending on interest rates and other market factors. The Company also has a $150 million revolving line of credit, principally to support the Company's commercial paper program. No borrowings on this line of credit were outstanding at September 30, 1994.

The Company hedges certain portions of its exposure to anticipated foreign currency cash flows due to its business operations in Switzerland, European Union countries, Japan, and to a much lesser extent, Canada and Australia. In addition, the Company hedges receivables and payables denominated in currencies of these countries. The Company uses forward and option foreign exchange contracts which involve the exchange of two currencies at a stated

future date. All of these contracts mature within one year, with approximately 90% maturing within three months. At September 30, 1994, the Company had forward and option foreign exchange contracts in the amount of $275 million and $14 million, respectively. These contracts are marked-to-market to reflect changes in their market values. The foreign currency gains and losses on these contracts were not material for the nine months ended September 30, 1994.

Cash is invested in accordance with a policy that seeks to ensure both liquidity and safety of principal. Investments are made to achieve the highest rate of return to the Company, consistent with safety of principle. The policy limits investments to certain types of instruments issued by institutions with strong investment grade credit ratings, and places restrictions on terms and concentration by type and issuer. The Company's investments are subject to the risk of market interest rate fluctuations and risks associated with the ability of the issuers to perform their obligations under the instruments.

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

Results of Operations

Product sales

Product sales increased 20% and 18% for the three and nine months ended September 30, 1994, respectively, compared with the same periods last year.

NEUPOGEN(R) (Filgrastim)

The Company's worldwide NEUPOGEN(R) sales were $214.7 million and $608.5 million for the three and nine months ended September 30, 1994, respectively.

Domestic sales of NEUPOGEN(R) were $160.1 million and $450.5 million for the three and nine months ended September 30, 1994, respectively. These amounts represent increases of $16.2 million and $48.5 million, or 11% and 12% respectively, over the same periods last year. These increases were primarily due to increased penetration of the current market for colony-stimulating factors.

Sales of NEUPOGEN(R) outside the United States, primarily in Europe, were $54.6 million and $157.9 million for the three and nine months ended September 30, 1994, respectively. These amounts represent increases of $12.3 million and $27.4 million over the same periods last year, respectively. Without the effect of changes in foreign currency exchange rates, sales volumes increased by approximately 22% and 24% during the three and nine months ended September 30, 1994, respectively, compared with the same periods last year due to increased penetration of the current market for colony-stimulating factors. When measured in U.S. dollars, reported sales increases for the three and nine months ended September 30, 1994 were 29% and 21%, respectively.

During the first quarter of 1994, Rhone-Poulenc Rorer and Chugai Pharmaceutical Co., Ltd. began jointly marketing a G-CSF product in the European Union. Although there has been no significant effect on the Company's worldwide NEUPOGEN(R) sales, it is not possible to predict the ultimate impact this competitive product will have on future EU NEUPOGEN(R) sales.

Quarterly NEUPOGEN(R) sales volumes in both the United States and Europe are influenced by a number of factors including underlying demand, seasonality of cancer chemotherapy administration, and wholesaler inventory management practices. The Company's experience has shown that reduced chemotherapy usage occurs in the third calendar quarter in many European Union countries to varying degrees resulting in corresponding decreases in reported sales. In the U.S., reduced chemotherapy usage occurs in the fourth quarter, but due to the effect of wholesaler inventories, this depresses Amgen sales in the first quarter.

The Company believes that NEUPOGEN(R) sales in 1994 will exceed

the 1993 level, but that the growth rate of NEUPOGEN(R) sales in the future will be lower than the growth rate in 1993. NEUPOGEN(R) sales increases are dependent upon further penetration of existing markets, the timing and nature of additional indications for which the product may be approved and the effects of competitive products. In addition, international NEUPOGEN(R) sales revenues are subject to changes in foreign currency exchange rates and increased competition from other colony stimulating factor products.

EPOGEN(R) (Epoetin alfa)

EPOGEN(R) sales were $187 million and $527.5 million for the three and nine months ended September 30, 1994. These amounts represent increases of $37.4 million and $101 million, or 25% and 24%, respectively, over the same periods last year. These increases were primarily due to an increase in the U.S. dialysis patient population, the administration of higher average doses of EPOGEN(R) per patient, and increased penetration of the dialysis market. The Company anticipates that increases in the U.S. dialysis patient population and increases in average dose per patient will continue to drive the growth of EPOGEN(R) sales in the current year. However, the growth rate for the third quarter is higher than the expected annual growth rate for 1994

The federal government enacted legislation effective January 1, 1994 to lower reimbursement provided to facilities that administer EPOGEN(R) from $11 per thousand units administered to $10 per thousand units administered. During the nine months ended September 30, 1994, the change in reimbursement did not have a material adverse effect on EPOGEN(R) sales.

Cost of sales

Cost of sales as a percentage of product sales were 14.7% and 15.6% for the three and nine months ended September 30, 1994, respectively, compared with 17.4% and 17.0% for the same periods last year. The improvement over the prior year primarily reflects the commencement of commercial production at the Puerto Rico fill and finish facility and a new NEUPOGEN(R) manufacturing facility. Cost of sales as a percentage of product sales is not expected to vary significantly for the foreseeable future.

Research and development

During the three and nine months ended September 30, 1994, research and development expenses increased $18.3 million and $51.8 million, or 29% and 28%, respectively, compared with the same periods last year. These increases were primarily due to expansion of the Company's research and development staffs and increased expenditures on external research collaborations. Annual research and development expenses for 1994 and 1995 may increase at a rate exceeding the anticipated annual product sales growth rate due to planned increases in internal efforts on new product discovery and development and increases in external research collaboration costs, including acquisitions of product and technology rights.

Marketing and selling

Marketing and selling expenses increased $10.2 million and $23.2 million, or 20% and 15%, respectively, during the three and nine months ended September 30, 1994 compared with the same periods last year. These increases were primarily due to: 1) domestic and international marketing expenses to support continued NEUPOGEN(R) market penetration and, 2) to support EPOGEN(R) marketing efforts focused on educating users on the importance of maintaining patients within the target hematocrit range. The future annual growth rate of marketing and selling expenses is expected to approximate or be slightly less than the anticipated annual product sales growth rate.

General and administrative

General and administrative expenses increased $4.4 million and $6.6 million, or 16% and 8%, respectively, during the three and nine months ended September 30, 1994 compared with the same periods last year. The future annual growth rate of general and administrative expenses is expected to be less than the anticipated annual product sales growth rate.

Income taxes

The Company's effective tax rate for the three and nine months

ended September 30, 1994 was 38.5% and 38.2% compared with 31.7% and 36.3%, respectively, for the same periods last year. The increases in tax rates were primarily due to changes in the federal tax laws in the three months ended September 30, 1993 which reduced the tax provision in that quarter by approximately $9.6 million. These increases were partially offset by a slight reduction in state taxes which resulted from changes in the apportionment of taxable income among states.

In the future, the Company expects to receive tax benefits from manufacturing products at its facility in Puerto Rico, which is currently awaiting licensure by regulatory bodies. Realization of these tax benefits is expected to result in an annualized effective tax rate of 32%-34% once a substantial portion of domestic product is supplied from this plant.

Legal Matters

Johnson & Johnson arbitration

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

In January 1989, Johnson & Johnson initiated arbitration proceedings with respect to a number of disputes which had arisen between Amgen and Johnson & Johnson as to the respective rights and obligations of the parties under the various agreements between them. Amgen filed a cross petition for arbitration raising additional disputes for resolution by the arbitrator. The scope of the arbitration covers erythropoietin, hepatitis B vaccine, and interleukin-2.

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

In June 1991, the arbitrator issued an opinion awarding Johnson & Johnson $164 million on its claims regarding erythropoietin. In September 1992, the arbitrator found that Johnson & Johnson had breached its obligations regarding hepatitis B vaccine and interleukin-2, and in January 1993 awarded the Company approximately $90 million in damages against Johnson & Johnson. In January 1993, the Company paid Johnson & Johnson the sum of $82.4 million, representing the difference between the damages awarded Johnson & Johnson as a result of its erythropoietin claims, and the amounts awarded Amgen against Johnson & Johnson as a result of its hepatitis B vaccine and interleukin-2 claims, plus interest. Johnson & Johnson returned to the Company the rights to develop and market hepatitis B vaccine and interleukin-2 in March 1991.

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

A trial date has been set for May 1, 1995 before the arbitrator regarding the accounting methodologies and compensation for sales by Johnson & Johnson into Amgen's contractual market and sales by Amgen into Johnson & Johnson's contractual market. Discovery as to these issues is in progress.

While it is not possible to predict accurately or determine the eventual outcome of this matter, the Company believes that the outcome of this legal proceeding will not have a material adverse effect on the financial statements of the Company.

Other litigation

The Company is engaged in various other legal proceedings including patent disputes. While it is not possible to predict accurately or 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.

Outlook

During the third quarter, the Company submitted an Investigational New Drug application to the U.S. Food and Drug Administration ("FDA") as part of its collaboration with Regeneron Pharmaceuticals, Inc. to initiate human clinical trials of neurotrophin-3 (NT-3) in peripheral neuropathies.

The Company obtained approval on July 7, 1994 from the FDA for a labeling change expanding the target hematocrit range for patients with chronic renal failure receiving Epoetin alfa from the current range of 30 to 33 percent to a range of 30 to 36 percent. The Company also received approval from the FDA on June 21, 1994 for a product license amendment to expand the approved uses of NEUPOGEN(R) to include a reduction in the duration of neutropenia for patients undergoing myeloablative therapy followed by bone marrow transplantation.

Operating in rapidly changing health care policy arenas and market environments presents many significant and unique challenges. While the federal government continues to formulate policy for health care reform, it is not possible to predict whether the Congress would pass and the President would sign any substantial health care legislation. It is probable that any such legislation would have an adverse impact on Amgen. In addition, the Company is adapting to market-driven forces in the United States and legislative mandates in foreign markets. Market forces are changing the economics of health care in the United States through voluntary limits on price increases by the pharmaceutical industry, increases in the purchasing power of large buying groups, and increased influence on medical care and treatment decisions by managed care organizations.

The Company is adapting to this changing health care environment through programs that work to optimize the use of its products in the treatment of patients and clinical trials designed to evaluate cost and quality-of-life parameters as well as clinical safety and efficacy.

In addition, the Company is seeking to obtain through the acquisition of businesses and/or licenses, product and technology rights which complement internal research and development efforts.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is engaged in arbitration proceedings with Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson. For a complete discussion of this matter see Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Legal Matters." Other legal proceedings are discussed below.

Elanex Pharmaceuticals litigation

In October of 1993, the Company filed a complaint for patent infringement against defendants Elanex Pharmaceuticals, Inc. ("Elanex"), Laboratorios Elanex De Costa Rica, S. A., Bio Sidus S.A., Merckle GmbH, Biosintetica S. A. and other unknown defendants. The

complaint, filed in the United States District Court for the Western District of Washington at Seattle, seeks injunctive relief and damages for Elanex's infringement of the Company's patent for DNA sequences and host cells useful in producing recombinant erythropoietin. The complaint also alleges that the foreign defendants entered into agreements with Elanex relating to the production or sale of recombinant erythropoietin and thereby have induced Elanex's infringement.

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

While it is not possible to predict accurately or to determine the eventual outcome of this matter, the Company believes that the outcome of this legal proceeding will not have a material adverse effect on the financial statements of the Company.

Erythropoietin patent litigation

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

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

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

While it is not possible to predict accurately or determine the eventual outcome of this matter, the Company believes that the outcome of the appeal by Johnson & Johnson will not have a material adverse effect on the financial statements of the Company.

Genetics Institute litigation

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

On September 12, 1994, the Company filed suit in the United States District court for the District of Massachusetts in Boston, against Genetics Institute, seeking declaratory judgment of patent non-infringement, invalidity and unenforceability against Genetics Institute in respect to U.S. Patent 5,322,837 issued to Genetics Institute, which relates to homogeneous erythropoietin.

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.

Consensus Interferon

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

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.

Item 6. Exhibits and Reports on Form 8-K

(a) Reference is made to the Index to Exhibits included herein.

(b) No reports on Form 8-K were filed during the three months ended September 30, 1994.

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: 11/09/94

By:/s/ Robert S. Attiyeh

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

Date: 11/09/94

By:/s/ Larry A. May

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

AMGEN INC.

INDEX TO EXHIBITS

Exhibit No.	Description
4.1	Warrant Agreement, dated September 1, 1990, between the Company, Paine Webber R&D Partners, L.P. and American Stock Transfer and Trust Company as Warrant Agent. (13)
4.2	Warrant Agreement, dated November 26, 1991, between the Company and American Stock Transfer and Trust Company as Warrant Agent. (15)
4.3	Indenture dated January 1, 1992 between the Company and Citibank N.A., as trustee. (14)
4.4	Forms of Commercial Paper Master Note Certificates. (18)
10.1*	Company's 1991 Equity Incentive Plan, as amended. (15)
10.2*	Company's 1984 Stock Option Plan, as amended, and forms of Incentive Stock Option Grant and Nonqualified Stock Option Grant used in connection therewith. (15)
10.3	Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984, between the Company and Kirin Brewery Company, Limited (with certain confidential information deleted therefrom). (1)
10.4	Amendment Nos. 1, 2, and 3, dated March 19, 1985, July 29, 1985 and December 19, 1985, respectively, to the Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984 (with certain confidential information deleted therefrom). (3)
10.5	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated, September 30, 1985 between the Company and Ortho Pharmaceutical Corporation (with certain confidential information deleted therefrom). (2)
10.6	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated September 30, 1985 between Kirin-Amgen, Inc. and Ortho Pharmaceutical Corporation (with certain confidential information deleted therefrom). (3)
10.7*	Company's Employee Stock Purchase Plan, amended April 1, 1992. (16)
10.8	Agreement, dated February 12, 1986, between the Company and Sloan-Kettering Institute for Cancer Research (with certain confidential information deleted therefrom). (4)
10.9	Amendment No. 2, dated November 13, 1990, to Agreement, dated February 12, 1986, between the Company and Sloan-Kettering Institute for Cancer Research (with certain confidential information deleted therefrom). (13)
10.10	Research, Development Technology Disclosure and License Agreement PPO, dated January 20, 1986, by and between the Company and Kirin Brewery Co., Ltd. (4)
10.11	Research Collaboration Agreement, dated August 31, 1990, between Amgen Inc. and Regeneron Pharmaceuticals, Inc. (with certain confidential information deleted therefrom). (13)
10.12	Amendment Nos. 4 and 5, dated October 16, 1986 (effective July 1, 1986) and December 6, 1986 (effective July 1, 1986), respectively, to the Shareholders Agreement of Kirin-Amgen, Inc. dated May 11, 1984 (with certain confidential information deleted therefrom). (5)
10.13	Assignment and License Agreement, dated October 16, 1986, between the Company and Kirin-Amgen, Inc. (with certain confidential information deleted therefrom). (5)
10.14	G-CSF European License Agreement, dated December 30, 1986, between Kirin-Amgen, Inc. and the Company (with certain confidential information deleted therefrom). (5)
10.15	Research and Development Technology Disclosure and License Agreement: GM-CSF, dated March 31, 1987, between Kirin Brewery Company, Limited and the Company (with certain confidential information deleted therefrom). (5)
10.16*	Company's 1987 Directors' Stock Option Plan, as amended. (13)
10.17	Cross License Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
10.18	Development Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
10.19	Joint Venture Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)

10.20	Partnership Purchase Option Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
10.21*	Company's 1988 Stock Option Plan, as amended. (15)
10.22*	Company's Retirement and Savings Plan, amended and restated as of January 1, 1993. (16)
10.23	Amendment, dated June 30, 1988, to Research, Development, Technology Disclosure and License Agreement: GM-CSF dated March 31, 1987, between Kirin Brewery Company, Limited and the Company. (7)
10.24	Amending Agreement, dated June 30, 1988, to Development Agreement, Partner Purchase Option Agreement, Cross License Agreement and Joint Venture Agreement, dated June 1, 1987, between the Company and Amgen Clinical Partners, L.P. (7)
10.25	Agreement on G-CSF in the EC, dated September 26, 1988, between Amgen Inc. and F. Hoffmann-La Roche & Co. Limited Company (with certain confidential information deleted therefrom). (9)
10.26	Supplementary Agreement to Agreement dated January 4, 1989 to Agreement on G-CSF in the EU, dated September 26, 1988, between the Company and F. Hoffmann-La Roche & Co. Limited Company, (with certain confidential information deleted therefrom). (9)
10.27	Agreement on G-CSF in Certain European Countries, dated January 1, 1989, between Amgen Inc. and F. Hoffmann-La Roche & Co. Limited Company (with certain confidential information deleted therefrom). (9)
10.28	Rights Agreement, dated January 24, 1989, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (8)
10.29	First Amendment to Rights Agreement, dated January 22, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (11)
10.30	Second Amendment to Rights Agreement, dated April 2, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (12)
10.31	Credit Agreement, dated as of November 15, 1991, among Amgen Inc., The Borrowing Subsidiaries therein named, the Banks therein named, Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents. (16)
10.32	Deed of Trust and Security Agreement, dated June 1, 1989, between the Company and UNUM Life Insurance Company of America. (10)
10.33	Note, dated June 1, 1989, between the Company and UNUM Life Insurance Company of America. (10)
10.34	Agency Agreement, dated November 21, 1991, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (16)
10.35	Agency Agreement, dated May 21, 1992, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (16)
10.36	Guaranty, dated July 29, 1992, by the Company in favor of Merck Sharp & Dohme Quimica de Puerto Rico, Inc. (16)
10.37	936 Promissory Note No. 01, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (16)
10.38	936 Promissory Note No. 02, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (16)
10.39	936 Promissory Note No. 001, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (16)
10.40	936 Promissory Note No. 002, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (16)
10.41	Guaranty, dated November 21, 1991, by the Company in favor of Citicorp Financial Services Corporation. (16)
10.42	First Amendment, dated as of June 16, 1992, to the Credit Agreement, dated as of November 15, 1991, among Amgen Inc., The Borrowing Subsidiaries therein named, the Banks therein named, Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents. (16)
10.43	Second Amendment, dated as of November 6, 1992, to the Credit Agreement, dated as of November 15, 1991, among Amgen Inc., The Borrowing Subsidiaries therein named, the Banks therein named, Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents. (16)
10.44	Lease and Agreement relating to Lease, dated March 27, 1986 and April 1, 1986, respectively, for 2003 Oak Terrace Lane between 2001 Hillcrest Partnership and the Company. (19)

10.45	Partnership Purchase Agreement, dated March 12, 1993, between the Company, Amgen Clinical Partners, L.P., Amgen Development Corporation, the Class A limited partners and the Class B limited partner. (17)
10.46*	Amgen Supplemental Retirement Plan dated June 1, 1993. (20)
10.47	Promissory Note of Mr. Kevin W. Sharer, dated June 4, 1993. (20)
10.48	Amendment No. 3 dated June 25, 1993 to the Credit Agreement, dated November 15, 1991, among the Company, The Borrowing Subsidiaries therein named, the Banks therein named, the Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents. (20)
10.49	Promissory Note of Mr. Larry A. May, dated February 24, 1993. (21)
10.50*	First Amendment dated October 26, 1993 to the Company's Retirement and Savings Plan. (21)
10.51*	Amgen Performance Based Management Incentive Plan. (21)
10.52	Fourth Amendment, dated as of June 24, 1994, to the Credit Agreement, dated November 15, 1991, among the Company, The Borrowing Subsidiaries therein named, the Banks therein named, the Swiss Bank Corporation, as issuing Bank and Swiss Bank Corporation and Citicorp USA, Inc., as Co-Agents.
11	Computation of earnings per share.

---

* Management contract or compensatory plan or arrangement.

(1) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1984 on June 26, 1984 and incorporated herein by reference.

(2) Filed as an exhibit to Quarterly Report on Form 10-Q for the quarter ended September 30, 1985 on November 14, 1985 and incorporated herein by reference.

(3) Filed as an exhibit to Quarterly Report on Form 10-Q for the quarter ended December 31, 1985 on February 3, 1986 and incorporated herein by reference.

(4) Filed as an exhibit to Amendment No. 1 to Form S-1 Registration Statement (Registration No. 33-3069) on March 11, 1986 and incorporated herein by reference.

(5) Filed as an exhibit to the Form 10-K Annual Report for the year ended March 31, 1987 on May 18, 1987 and incorporated herein by reference.

(6) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1987 on August 12, 1987 and incorporated herein by reference.

(7) Filed as an exhibit to Form 8 amending the Quarterly Report on Form 10-Q for the quarter ended June 30, 1988 on August 25, 1988 and incorporated herein by reference.

(8) Filed as an exhibit to the Form 8-K Current Report dated January 24, 1989 and incorporated herein by reference.

(9) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1989 on June 28, 1989 and incorporated herein by reference.

(10) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1989 on August 14, 1989 and incorporated herein by reference.

(11) Filed as an exhibit to the Form 8-K Current Report dated January 22, 1991 and incorporated herein by reference.

(12) Filed as an exhibit to the Form 8-K Current Report dated April 12, 1991 and incorporated herein by reference.

(13) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1991 on July 1, 1991 and incorporated herein by reference.

(14) Filed as an exhibit to Form S-3 Registration Statement dated December 19, 1991 and incorporated herein by reference.

(15) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1991 on March 30, 1992 and incorporated herein by reference.

(16) 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.

(17) Filed as an exhibit to the Form 8-A dated March 31, 1993 and incorporated herein by reference.

(18) 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.

(19) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1993 on August 16, 1993 and incorporated herein by reference.

(20) 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.

(21) 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.

EXHIBIT 11

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994	1993
Income before cumulative effect of a change in accounting principle	$113,956	$102,692	$314,880	$283,476
Cumulative effect of a change in accounting principle	-	-	-	8,738
Net income	$113,956	$102,692	$314,880	$292,214
Applicable common and common stock equivalent shares:				
Weighted average shares of common stock outstanding during the period	132,894	134,952	133,312	135,701
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options and warrants	6,352	7,467	6,709	8,366
Weighted average shares of common stock and common stock equivalents outstanding during the period	139,246	142,419	140,021	144,067
Earnings per common share primary:				
Income before cumulative effect of a change in accounting principle	$ .82	$ .72	$ 2.25	$ 1.97
Cumulative effect of a change in accounting principle	-	-	-	.06
Net income	$ .82	$ .72	$ 2.25	$ 2.03

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994	1993
Income before cumulative effect of a change in accounting principle	$113,956	$102,692	$314,880	$283,476
Cumulative effect of a change in accounting principle	-	-	-	8,738
Net income	$113,956	$102,692	$314,880	$292,214
Applicable common and common stock equivalent shares:				
Weighted average shares of common stock				

outstanding during the period	132,894	134,952	133,312	135,701
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options and warrants	6,636	7,865	7,636	8,366
Weighted average shares of common stock and common stock equivalents outstanding during the period	139,530	142,817	140,948	144,067
Earnings per common share fully diluted:				
Income before cumulative effect of a change in accounting principle	$ .82	$ .72	$ 2.23	$ 1.97
Cumulative effect of a change in accounting principle	-	-	-	.06
Net income	$ .82	$ .72	$ 2.23	$ 2.03

AMGEN INC.

FOURTH AMENDMENT
TO CREDIT AGREEMENT

This FOURTH AMENDMENT TO CREDIT AGREEMENT (this "Fourth Amendment") is dated as of June 24, 1994 and entered into by and among Amgen Inc., a Delaware corporation (the "Company"), the subsidiaries of the Company signatory to the Credit Agreement defined below (together with the Company, the "Borrowers"), Swiss Bank Corporation, San Francisco Branch, Citicorp USA, Inc., and each other lender whose name is set forth on the signature pages of the Credit Agreement defined below (collectively, the "Banks"), Swiss Bank Corporation, New York Branch as Issuing Bank (the "Issuing Bank"), and Swiss Bank Corporation, New York Branch and Citicorp USA, Inc. as Co-Agents for the Banks (the "Co-Agents"). This Fourth Amendment amends that certain Credit Agreement dated as of November 15, 1991, as amended by that certain First Amendment to Credit Agreement dated as of June 16, 1992, that certain Second Amendment to Credit Agreement dated as of November 6, 1992 and that certain Third Amendment to Credit Agreement dated as of June 25, 1993 (as so amended, the "Credit Agreement") by and among the Borrowers, the Banks, the Issuing Bank and the Co-Agents. Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement.

RECITALS

WHEREAS, the Borrowers, the Banks, the Issuing Bank and the Co-Agents desire to amend the Credit Agreement as follows: (i) to extend the maturity dates of the Tranche A-1 Commitment and the Tranche A-2 Commitment, (ii) to reduce the commitment fees payable with respect to the Tranche A-1 Commitment and the Tranche A-2 Commitment, and (iii) to reduce the interest rate spread applicable to Eurodollar Rate Advances.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

Section 1. AMENDMENTS TO SECTION 1 OF THE CREDIT AGREEMENT

(a) The table entitled "Rate Spread and LC Fees" set forth in the definition of "Applicable Percentage" contained in Section 1.1 of the Credit Agreement is hereby deleted in its entirety and replaced with the following table:

Rate Spread and LC Fees

	Tier I	Tier II	Tier III
Eurodollar Rate Spread	.375%	.50%	.625%
LC Issuance Fee	.15%	.1875%	.1875%
LC Reimbursement Fee	.50%	.625%	.75%

(b) The following definitions contained in Section 1.1 of the Credit Agreement are hereby deleted in their entirety and replaced with the following:

"'Tranche A-1 Maturity Date' means June 23, 1995."

"'Tranche A-2 Maturity Date' means June 23, 1995."

Section 2. AMENDMENTS TO SECTION 3 OF THE CREDIT AGREEMENT

(a) Subsection 3.2(a)(1) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "(1) its Pro Rata Share of the Tranche A-1 Commitment, commitment fees equal to 12.5/100 of one percent (.125%) per annum times the average daily Unused Portion of the Tranche A-1 Commitment during the Fiscal Quarter then ending and".

(b) Subsection 3.2(a)(2) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "(2) its Pro Rata Share of the Tranche A-2 Commitment, commitment fees equal to 12.5/100 of one percent (.125%) per annum times the average daily Unused Portion of the Tranche A-2 Commitment during the Fiscal Quarter then ending".

Section 3. REPRESENTATIONS AND WARRANTIES

In order to induce the Issuing Bank, the Co-Agents and the Banks to enter into this Fourth Amendment and to amend the Credit Agreement in the manner provided herein, each Borrower represents and warrants to each Bank that the following statements are true, correct and complete:

A. Corporate Power and Authority. Such Borrower has all requisite corporate power and authority to execute and deliver this Fourth Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Credit Agreement as amended by this Fourth Amendment (the "Amended Agreement").

B. Authorization of Agreements. The execution and delivery of this Fourth Amendment and the performance of the Amended Agreement have been duly authorized by all necessary corporate action by such Borrower.

C. No Conflict. The execution, delivery and performance of this Fourth Amendment and the Amended Agreement by such Borrower do not (i) require any consent or approval not heretofore obtained of any partner, director, stockholder, security holder or creditor of such Borrower, (ii) violate or conflict with any provisions of such Borrower's certificate of incorporation or bylaws, (iii) result in or require the creation or imposition of any Lien or Right of Others upon or with respect to any Property now owned or leased or hereafter acquired by such Borrower, (iv) violate, to the best knowledge of such Borrower, any Requirement of Law applicable to such Borrower, or (v) result (or, with the giving of notice or the passage of time or both, would result) in a breach of or default under, or cause or permit the acceleration of any obligation owed under, any indenture or loan or credit agreement or any other Contractual Obligation to which such Borrower is a party or by which such Borrower or any of its Property is bound or affected. Except as set forth in Schedule 4.2 annexed to the Amended Agreement, such Borrower is not in violation of, or default under, any requirement of Law or Contractual Obligation, or any indenture, loan or credit agreement described in Section 4.2(e) of the Credit Agreement, in any respect that constitutes a Material Adverse Effect.

D. Governmental Consents. No authorization, consent, approval, order, license or permit from, or filing, registration or qualification with, any Governmental Agency is required to authorize or permit under applicable Laws the execution, delivery and performance of the Amended Agreement by such Borrower.

E. Binding Obligation. This Fourth Amendment will, when executed and delivered by such Borrower, constitute the legal, valid and binding obligation of such Borrower enforceable against such Borrower in accordance with its terms, except as enforcement may be limited by Debtor Relief Laws or by equitable principles relating to the granting of specific performance and equitable remedies as a matter of judicial discretion.

F. Absence of Default. No event has occurred and is continuing that is a Default or an Event of Default.

Section 4. CONDITIONS TO EFFECTIVENESS

This Fourth Amendment shall become effective as of the date when the Administrative Agent, on behalf of the Banks, shall have received all of the following, in form and substance satisfactory to the Administrative Agent (the "Fourth Amendment Effective Date"):

(a) Resolutions of the Board of Directors of each Borrower authorizing and approving the execution, delivery and performance of this Fourth Amendment, in each case certified as of the Fourth Amendment Effective Date by the secretary or an assistant secretary of such Borrower;

(b) A certificate of the secretary or an assistant secretary of each Borrower, which shall certify as of the Fourth Amendment Effective Date the names and offices of the officers of each Borrower authorized to sign this Fourth Amendment together with the true signatures of such officers; and

(c) A counterpart hereof executed by a duly authorized officer of each party hereto and written or telephonic notification of such execution and authorization of delivery thereof.

Section 5. MISCELLANEOUS

A. Reference to and Effect on the Credit Agreement and the Other Loan Documents.

(i) On and after the Fourth Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Fourth Amendment.

(ii) Except as specifically amended by this Fourth Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Fourth Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Co-Agents or any Bank under the Credit Agreement or any of the other Loan Documents.

(iv) Until the Fourth Amendment Effective Date, all terms and provisions of the Credit Agreement shall remain in effect, and all fees shall be calculated as set forth therein. On and after the Fourth Amendment Effective Date, the commitment fees shall be calculated as described in this Fourth Amendment.

B. Fees and Expenses. The Company acknowledges that all costs, fees and expenses as described in subsection 13.3 of the Credit Agreement incurred by the Co-Agents and its counsel with respect to this Fourth Amendment and the documents and transactions contemplated hereby shall be for the account of Company.

C. Execution in Counterparts. This Fourth Amendment may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

D. Applicable Law. This Fourth Amendment shall be governed by, and shall be construed and enforced in accordance with, the Laws of the state of California applicable to contracts made and performed in such state.

E. Fourth Amendment Effective Date. The Administrative Agent shall give prompt notice to each other party hereto of the occurrence of the Fourth Amendment Effective Date.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to be executed as of the date first above written by their respective officers thereunto duly authorized.

THE COMPANY:

AMGEN INC.

By: /s/ Thomas A. Hardy
Name: Thomas A. Hardy
Title: President

BORROWING SUBSIDIARIES:

AMGEN MANUFACTURING, INC.

By: /s/Dennis Fenton
Name: Dennis Fenton
Title: Vice Presidnet

THE CO-AGENTS:

SWISS BANK CORPORATION,
NEW YORK BRANCH

By: /s/Jennifer L. Match
Name: Jennifer L. Match
Title: Associate Director

By: /s/Sean M. Harrigan
Name: Sean M. Harrigan
Title: Executive Director

CITICORP USA, INC.

By: /s/Barbara A. Cohen
Name: Barbara A. Cohen
Title: Vice President

THE ISSUING BANK:

SWISS BANK CORPORATION,
NEW YORK BRANCH

By: /s/Jennifer L. Match
Name: Jennifer L. Match
Title: Associate Director

By: /s/Sean M. Harrigan
Name: Sean M. Harrigan
Title: Executive Director

THE BANKS:

SWISS BANK CORPORATION,
SAN FRANCISCO BRANCH

By: /s/David L. Parrot
Name: David L. Parrot
Title: Associate Director

By: /s/Colin T. Taylor
Name: Colin T. Taylor
Title: Director

CITICORP USA, INC.

By: /s/Barbara A. Cohen
Name: Barbara A. Cohen
Title: Vice President

ABN AMRO BANK, N.V., Los
Angeles Agency

By: /s/Ellen M. Coleman
Name: Ellen M. Coleman
Title: Assistant Vice President

BANK OF MONTREAL (formerly
Harris Trust and Savings Bank)

By: /s/J. Donald Higgins
Name: J. Donald Higgins
Title: Managing Director

THE SANWA BANK, LIMITED
LOS ANGELES BRANCH

By: /s/Gill S. Realon
Name: Gill S. Realon
Title: Vice President

5

QTR-3	
DEC-31-1994	
SEP-30-1994	
	301,529
	452,083
	186,220
	12,746
	87,191
	1,119,949
	625,515
	55,068
	1,892,475
	385,002
	0
	13
	0
	0
	1,321,598
	1,892,475
	401,695
	426,355
	59,126
	244,341
	0
	0
	3,387
	185,421
	71,465
	0
	0
	0
	0
	113,956
	.82
	.82