EXHIBIT 15

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AMGN - Q2 2004 Amgen Earnings Conference Call

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OVERVIEW

AMGN reported 2Q04 adjusted EPS of $0.62 and GAAP adjusted EPS of $0.57. In 2Q04, AMGN submitted the Biologics License Application (BLA) with the FDA for palifermin for oral mucositis and hematologic transplantations. In 2Q04, the Co. repurchased approx. 17m shares spending $1b to do so. Q&A Focus: Reimbursement, CERA, inventory, and outlook.

CORPORATE

Richard Nanula
Amgen Inc. - Executive Vice President and Chief Financial Officer

George Morrow
Amgen Inc. -
Executive Vice President of Global Commercial Operations

Laura Biswas
Amgen Inc - Associate Director of Investor Relations

Kevin Sharer
Amgen Inc. - Chairman & Chief Executive Officer.

CONFERENCE CALL PARTICIPANTS

Steven Harr
Morgan Stanley Dean Witter - Analyst

Craig Parker
Lehman Brothers - Analyst

Michael King
Banc of America Securities - Analyst

Matt Murray
Alliance Capital - Analyst

Eric Schmidt
SG Cowen - Analyst

Joel Sendek
Lazard Freres & Co. - Analyst

Geoffrey Porges
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May Kin Ho
Goldman Sachs - Analyst

Robert Goldman
Buckingham Research - Analyst

Ronald Renaud
JP Morgan - Analyst

Jim Reddoch
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David Chan
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Matt Geller
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Elise Mayer
Smith Barney Citigroup - Analyst

John Sonnier
Prudential Equity Group - Analyst

Eric Ende
Merrill Lynch - Analyst

PRESENTATION

Operator

Good afternoon. My name is Susanna, and I will be your conference facilitator today. At this time, I would like to welcome everyone to the Amgen's Second Quarter Financial Results for 2004 Conference Call. All lines have been placed on mute to prevent any background noise. There will be a question and answer session at the conclusion of the speakers' remarks. You will be allowed to ask one question. In order to ask a question, please press "star" then the number "one" on your telephone keypad. To withdraw your question, please press "star" then the number "two" on your telephone keypad. Thank you.

Ladies and gentlemen, I would like to introduce Laura Biswas, Associate Director of Investor Relations. Ms. Biswas, you may now begin.

Laura Biswas - *Amgen Inc - Associate Director of Investor Relations*

Thank you. Good afternoon and welcome to Amgen's second-quarter 2004 conference call. I'm Laura Biswas, Associate Director of Investor Relations. Before we start, I'd like to make some cautionary statements. When we estimate revenues, operating margins, capital expenditures, cash and other financial metrics and discuss expected legal, arbitration, political, regulatory or clinical results, such estimates and results are forward-looking statements and of course, no assurance can be given if the estimates will be accurate and actual results could vary materially.

On this call, we may discuss GAAP and non-GAAP financial metrics in accordance with SEC Regulation G. You can find a reconciliation of these two measures on our website at www.amgen.com within the investors section. Please refer to Amgen's most recent Form 10-Q report for additional information on the uncertainties and risk factors related to our business. If you've not received our press release, please call Denise Burrell (ph) at 805-447-3433. If you have further questions after the conference call, please contact our office

at 805-447-1060. This conference call is being webcast on the Amgen homepage and will be archived for 72 hours following the call. Now, I would like to introduce Kevin Sharer, Amgen's Chairman and Chief Executive Officer.

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

Thanks Laura. Good afternoon. With me today are Richard Nanula, Executive Vice President and Chief Financial Officer and George Morrow, Executive Vice President of Global Commercial Operations. Similar to last quarter, Richard and I will deliver prepared remarks and George, as well as Richard and I will be available for Q&A.

In the second quarter, our business continued its strong performance with solid top line sales growth in our key therapeutic areas of oncology, nephrology and inflammation. Our sales exhibited global strength driven by the worldwide growth of Aranesp. We also launched ENBREL for psoriasis and Sensipar for dialysis patients suffering from secondary hyperparathyroid ism in the U.S. We continue to reinvest in the business to support our products' growth in competitive markets.

This quarter we announced the submission of a biologic license application with the FDA for Palifermin, for oral mucositis in hematologic transplant patients. The BLA was submitted under the FDA's fast track designation program, which is designed to expedite FDA review of an investigational therapy for an unmet medical need. Within two weeks of FDA filing, we also filed for marketing authorization in Europe. I would like to thank all our staff whose hard work and dedication made these filings possible.

Our recent announcement of the failure of our blinded Phase 2 Study of GDNF for Parkinson's disease was a disappointment for us and particularly for patients suffering from this debilitating disease. This study was well conducted showing biological activity, but without a corresponding clinical response. We are committed to understanding why the results of this study differed from the long-term improvements seen in the two small open label studies.

We've recently made a very significant commitment to start Phase 3 trials for AMG162 from our ranked Ligand program. The start of those trials is imminent and we will make an announcement when the first patient is dosed.

Our second-quarter product sales performance was led by Aranesp, which continues to compete successfully in the anemia market with its less frequent dosing interval. During the second quarter, Aranesp obtained the leading market share position in Europe among nephrologists and oncologists offering greater dosing convenience to patients and physicians. We also continue to move forward on a variety of clinical studies with Aranesp, which we believe has strong growth potential.

The proposed revised HMA program memorandum regarding the reimbursement with EPOGEN use was released on July 8 with a 60-day comment period. It is expected that a revised policy may go into effect on January 1, 2005 or thereafter. We are pleased to note that in developing the new policy, CMS is focused on maintaining the quality of patient care and responded to the nephrology community by acknowledging that patients with hemoglobin levels within the K/DOQI target range have better outcomes and that considerable natural variability in individual patient hemoglobin levels makes achieving these narrow targets difficult. We understand what the CMS is trying to accomplish and believe the current draft requires only minor adjustments to ensure that patients and providers are able to access and provide optimal anemia therapy.

Neulasta continues to be the major driver of growth in the neutropenia market due to its convenient once per chemotherapy cycle dosing. During the quarter we announced results from the largest growth factor study ever completed, demonstrating the importance of utilizing Neulasta in first and subsequent cycles of chemotherapy in patients on moderately myelosuppressive regiments. Since physicians typically reserve proactive use of Neulasta for patients of high risk, this study highlights the benefits of treating a broader set of patients with Neulasta beginning at the first cycle of chemotherapy.

With the recent ENBREL launch for moderate to severe psoriasis, ENBREL sales exhibited a very strong performance. ENBREL's growing acceptance by dermatologist s is reflected in the approximately 4,000 dermatologists who are currently writing ENBREL prescriptions and ENBREL continues to have the dominant share among biologics in this market.

In addition the Sensipar launch for dialysis patients suffering from secondary hypeparathyroidi sm has exceeded our expectation with over 1,900 nephrologists writing prescriptions. By the beginning of July we were able to secure

reimbursement with over 75% of the commercial payers and nearly 6% (ph) of Medicaid for Sensipar.

Now Richard will review the financial performance of our products and provide additional insight into the market dynamics. Richard.

Richard Nanula - *Amgen Inc. - Executive Vice President and Chief Financial Officer*

Thanks, Kevin. I'm pleased to report that adjusted earnings per share for the second quarter was 62 cents per share, an increase of 27% over the same period a year ago. Total product sales also grew 27% versus the second quarter last year to 2.4 billion. US product sales were $2 billion, an increase of 21% over the second quarter of last year and accounted for 83% of total product sales.

International sales were $424 million growing 63% versus the same quarter last year. EPOGEN sales were $633 million for the quarter, an increase of 4%, versus the same quarter last year. We believe this increase was due to growth in underlying demand, partially offset by changes in wholesaler inventory levels.

Worldwide Aranesp sales in the second quarter were $617 million, a 78% increase over the prior year. This substantial growth was driven by demand in the US and Europe. Second-quarter US Aranesp sales were $381 million, up 76% and international sales were $237 million, an increase of 80%. We continue to see market growth in the second quarter, both in the US and Europe as physicians increasingly recognize the value of treating anemia associated with chemotherapy and chronic kidney disease as well as the dose inconvenience that Aranesp provides to their patients and practices.

Combined worldwide Neulasta and NEUPOGEN sales for the second quarter were $721 million, an increase of 14% versus the same quarter the prior year. Worldwide Neulasta sales were the driver of this increase. Worldwide Neulasta sales reached $426 million, which included $64 million in international sales. US Neulasta sales increased 24% over the second quarter of the prior year, reflecting an increase in demand partially offset by changes in wholesaler inventory levels. Worldwide NEUPOGEN sales in the second quarter were $295 million, an 11% decrease versus the second quarter of the prior year, principally driven by a decline in US demand.

ENBREL sales were $440 million in the second quarter, a 45% increase over prior-year sales. The increase was driven by growing demand in rheumatology and dermatology, due to a greater use of biologics as well as the approval of the psoriasis indication.

As we previously mentioned, we believe that adjusted earnings provides useful supplementary information to investors, however we do recognize the importance of earnings computed in accordance with GAAP and as we do every quarter, we've provided a full reconciliation of GAAP versus adjusted EPS in the press release we issued earlier today and is posted on our website.

Turning to some expense items, which I'll discuss on an adjusted basis for both periods, cost of sales increased 34% to $435 million from $324 million in the second quarter of 2003, primarily due to increased sales volumes. Cost of sales as a percentage of product sales was slightly higher in the second quarter of the prior year primarily due to costs incurred at certain manufacturing facilities which are temporarily operating at less than normal capacity as they transition to other products, as well as changes in product mix towards higher cost products.

R&D expenses for the second quarter were $460 million versus $385 million in the second quarter of 2003, a 20% increase. This increase was primarily due to higher staff related expenses and higher outside costs to support the pipeline.

SG&A expenses for the second quarter increased 34% to $587 million compared to $438 million in the second quarter of 2003. This increase was primarily due to higher staff related expenses and higher outside marketing expenses, which includes the Wyeth profit share related to ENBREL.

As previously mentioned, adjusted earnings per share was $0.62 in 2Q 2004 compared to adjusted earnings per share of $0.49 for the same quarter in the prior year, a 27% increase. While sales and earnings momentum is strong, we do have a number of significant expense items that will impact the P&L in the second half of the year. We expect to close on the Tularik acquisition, which will drive a large increase in R&D expenses for the second half of the year as we add additional staff and integrate a number of new clinical programs.

As Kevin mentioned, we also expect to spend heavily in support of the large Phase 3 trials for AMG162 in the second half of the year and in the fourth quarter we expect to increase our SG&A expenses due to normal seasonal spending

patterns. As a result of these appropriate investments, we continue to believe that EPS will be within the range of $2.30 to $2.40 per share for the full year on an adjusted basis, which will exclude any one-time items related to the Tularik acquisition. On a GAAP adjusted basis EPS was $0.57 in the second quarter, up 27% versus $0.45 in 2003.

Turning briefly to the balance sheet in the second quarter, we repurchased approximately 17 million shares spending $1 billion to do so. We have been opportunistic and increasingly aggressive in repurchasing our shares. Our repurchases in addition to reducing the dilutive effect of our employee stock option and stock purchase plans also reflect our confidence in the long-term prospects of Amgen.

Second-quarter capital expenditures were $356 million versus $276 million in the second quarter last year. The increase was principally related to our Puerto Rico manufacturing and Thousand Oaks expansions and the building of a new ENBREL manufacturing plant in Rhode Island. Our cash and marketable securities were $4.3 billion at the end of the second quarter.

Before I return the call to Kevin for the Q&A, I would like to add one more thing. As many of you know, Cary Rosansky, the head of investor relations is leaving Amgen. I would like to take this opportunity to thank Cary for his six years at Amgen. He's been the voice of Amgen for many of you and we wish him well. I would also like to let you know we'll be announcing his replacement shortly.

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

Thanks, Richard. Now we'll take your questions.

QUESTIONS AND ANSWERS

Operator

At this time I would like to remind know, if you would like to ask a question, press "star", then the number one on your telephone key pad. We'll pause for just a moment to compile the Q&A roster. Your first question comes from Steven Harr with Morgan Stanley. Mr. Harr?

Steven Harr - *Morgan Stanley Dean Witter - Analyst*

I'm sorry. Can you hear me now?

significant and we think

Operator

Yes, sir.

Steven Harr - *Morgan Stanley Dean Witter - Analyst*

I was hoping that maybe Kevin and George, you guys could lay out for us obviously without disclosing your competitive position, what you guys are doing to prepare for the changing reimbursement environment next year in oncology as the physicians' incentives change around which drugs that you use. (multiple speakers) – for bundling or something -- something around that effect.

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

Let me take that in two parts. Let me talk about the ASP impact first and then I'll talk about the pricing dynamics. Obviously, there's still a lot of uncertainties and we don't want to pretend like we have got it all figured out but we're getting more comfortable with the situation. Let me break it into two parts.

First, understand there's a range of prices that will exist for Aranesp first quarter of next year. The high volume, high share clinics, they're in really good shape. The low volume low share, some potentially will be reimbursed below cost and I think you'll see a bifurcation of the market. Those clinics committed to Procrit, those committed to Aranesp.

Secondly, let me just dimensionalize the issue in terms of overall sales. If you take our second-quarter sales for Aranesp, 617 million, about 2/3 of that, a little less than 2/3 are in the US. If you then take the US sales and break it into non-Medicare and Medicare, 45% of sales are Medicare, 55% obviously non-Medicare, and then if you break it down further into hospitals and clinics and again hospitals are going to be under an AWP base reimbursement system, clinic under ASP, that's about a 50-50 split. So bottom line we're talking about 15% of total sales in the clinic subject to ASP. Particularly the ones -- the situations that we think are most at risk are patients who lack secondary co-pay insurance.

Right now our best estimate is about roughly 90% of patients have secondary co-pay insurance, leaving about 10% or about 1.5% of the patients out there that we really feel there could be an access problem. Now physicians in clinics have a choice. They could eat the cost because they may not make money

on when they don't recover the co-pay or they can send the patients to retail or more likely to hospital or they can decide not to treat. I think what we're hearing most is that they're planning on sending these patients to the hospital. So, yes, it's something that we're very concerned about but I just wanted to put it in perspective. We continue to work with CMS and Congress on unintended consequences.

We do not want any cancer patients to suffer in terms of quality of care as a result of this, and, we're going to be doing a lot of bidding on behalf of the -- patients. Competitively, I think we're going to see a level playing field next year. You know, obviously, we have a broad portfolio in the oncology clinic and hospitals and a place where advantage but J&J is also a strong competitor there.

I think the bigger issue is what happens to market growth. We wouldn't be surprised to see a little bit of a correction early on in the air as physicians sort out their economics, but we really are still very bullish on the long-term growth of the anemia and neutropenia market.

On the pricing side, just get a little more granular in pricing. Our positioning of Aranesp at launch, and exists today is that we have a better product based on our longer dosing interval at a slightly lower cost. In November of 2002, the CMS cut our reimbursement in half in the hospital outpatient setting and obviously this was prompted by J&J and within days, we responded with contracts that enabled us to grow our share in hospitals. And we're quite pleased with the results to this point.

Interestingly, we exited 2003 with a relatively stable share and price. We were gaining a little bit of share but our price is pretty stable. In February of this year, J&J rolled out their new contracts with their deeper discounts and once again, we responded within days to maintain our position. As a result, we gained significant share and you saw the results of that in the second quarter. By the way, I hope I don't have to say once again we responded within days. Hopefully the pricing is going to stabilize going-forward, but that's probably not up to us necessarily.

I do want to point out that our contracts are performance-base d contracts. So as the customer's volume increases, as their share increases, they will get a slightly better price and so even though we don't have new contracts out there, the price could go down a little once customers drive the greater share and volume.

Under an ASP reimbursement environment, our view is that there's little or no incentive to provide incremental discounts. In fact, quite the opposite, and so hopefully we can get back to competing on a clinical profile and focus on growing the market, and I think the market growth will become a bigger source of -- in terms of overall component growth than just market share gains. Okay?

Steven Harr - *Morgan Stanley Dean Witter - Analyst*

Okay. Thanks, George.

Operator

Next question comes from Craig Parker with Lehman Brothers.

Craig Parker - *Lehman Brothers - Analyst*

Good afternoon. I guess I'll ask George a question or two and avoid the obvious question of whether you're just sort of thumbing your nose at the Street with respect to not raising guidance. In the psoriasis setting, George, are you seeing people adopting the step down dosing, so starting patients on the double dose and then lowering that?

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

Yes, let me answer your first question.

Craig Parker - *Lehman Brothers - Analyst*

Okay.

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

I don't take that too well here. We're not thumbing our nose at the Street. We try to provide, in Richard's remarks, very fulsome description of why we think the guidance is where it is. We're going to invest significantly in our business in the second half of the year. We feel good about what we've done so far, and we feel the guidance is right. So I must say that comment did strike me as inappropriate and I'd like to go to the next question.

Operator

Next question comes from Michael King with Banc of America.

Michael King - *Banc of America Securities- Analyst*

Hi. I had a question about the convert. I was wondering, Richard, if you could talk about the conversion price is $82 and change and the termination is May '05, am I correct?

Richard Nanula - *Amgen Inc. - Executive Vice President and Chief Financial Officer*

March '05.

Michael King - *Banc of America Securities- Analyst*

And just wondering, given the stock price where it is, have you given any thought to how you might deal with that when the maturity date comes?

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

Yes, Mike. As we get closer to that period, I think it will be also a determinate of where interest rates are, as well, the higher the interest rate the, more alternatives an investor in that convertible has, but there are a number of things we can do and you can look at some of the other LYONs that have been out there in the marketplace to extend the LYONs beyond the put date and we're looking at that, I think that's a reasonably likely occurrence.

Operator

Next question comes from Matt Murray with Alliance Capital.

Matt Murray - *Alliance Capital - Analyst*

Yes. Thank you for taking my question. Some of us were up at the Roche presentation today and at the breakdown on pharmaceuticals there was a lively discussion about CERA. I was wondering if you could review with us, is it your belief that CERA will be available on the European market, number one? And number two, whether or not the patent issued on CERA in the US pose any advantage for them for entering the US market?

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

You know, Matt, we of course, got different patent expiry situations in Europe and the US, I don't have the exact date where the claim CERA is making in Europe, but the patent for EPOGEN is going to expire, I guess in December, and so I would expect CERA will eventually and perhaps relatively soon be on the market in Europe, whether that's '05 or '06, I don't know.

In terms of the US, we have got a fundamentally different situation in terms of the patent situation and like and as you would expect, we're not going to be commenting here on our patent strategies, but I think, I would say that the market for EPOGEN family of products is so darn big worldwide and the price of developing drugs that to try to make an assault on that market is so relatively low companies that have expertise like Roche will try. We've defended our patents before, I'm sure that CERA won't be the last, and we're confident we've got the right patent state but I'm sure that eventually we'll have to probably defend it again and we sure as heck will very vigorously, and I can just look to the track record we have for some confidence for the future.

Operator

Next question comes from Eric Schmidt with SG Cowen.

Eric Schmidt - *SG Cowen - Analyst*

Good afternoon. Congrats on the nice quarter. I really enjoyed George's answer to the question about the changing environment for Aranesp next year. I was wondering if you could talk in similar fashion about the EPO reimbursement in dialysis?

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

Okay. Let me start with the HMAPM. You know, we think that CMS did a pretty good job here. First of all, they said that if your hemoglobin is between 11 and 12, you're going to get better outcomes and we agree. There is a natural variability that makes it difficult to get patients strictly within 11 to 12, therefore they raise their hemoglobin tolerance to 13, which we agree with, and they also mention that if patients drop out of 11 and 12, drop below, it's more expensive to get them back in. So, let's not do anything that causes that kind of gyration, and we agree with that.

There is one potential issue that Kevin alluded to, and that is the implementation of a policy for patients who have hemoglobins over 13 and are using EPOGEN higher than 40,000 a month. We believe that if those patients are medically justified or if the dose is being reduced, don't penalize those patients. In fact we've met with the CMS, I think they're very mindful of that. We've got a 60-day comment period and they basically said that CMS's intention is not to penalize providers for doing the right thing. So, obviously the devil is in the detail. We need a simple approach. They're very receptive to that and I think we'll work it out. So, we're feeling pretty good about the HMAPM.

Turning to the acquisition cost, right now EPOGEN by statute is reimbursed $10 per 1,000 units and we're going to an average acquisition cost next year reimbursement system. By the way, the balance or the difference between that price and $10 is going to go into the composite rate, so very importantly providers' economics will be whole. So they're not taking - CMS is not taking any money out of the system.

We're pleased that the OIG actually did an accurate report. They basically reported that the average acquisition cost for small dialysis providers is 950 and for large 879. So that is accurate information that jives with our numbers. What they haven't told us is what number will they pick as the average acquisition cost, and so, we wait, for them to report that. But we're pretty confident that everything is manageable for us, our customers and most importantly for patients so again, we're pretty relaxed about the situation.

Operator

Next question comes from Joel Sendek with Lazard.

Joel Sendek - *Lazard Freres & Co. - Analyst*

I had a question about your comments on inventory. Can you help us quantify the level of inventory draw-downs I guess with regard to EPOGEN and Neulasta. Thanks.

Unidentified Speaker

They were relatively modest but they were in the direction that I had said, so I-- I don't have any actual days sales. They're within their normal ranges but they were actually slight draw-downs for the quarter.

Operator

Next question comes from Geoffrey Porges with Bear Stearns.

Geoffrey Porges - *Sanford Bernstein - Analyst*

Well it's Sanford Bernstein actually, but just a quick couple of questions on the pipeline. Could you give us an update on the status of Phase III trials and the new indications for Sensipar and Palifermin particularly CKD and (indiscernible) on small cell lung cancer and then perhaps a quick update on the Panitumumab Phase III recruitment in colorectal cancer, how that's going, thanks.

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

We're not going to update any pipeline guidance today beyond the AMG162. The pipeline development continues on pace with what we talked about in March. Panitumumab, I guess, Palifermin and solid tumor in Sensipar. George, you might comment on Sensipar. Everything is proceeding at pace, is about all we want to say right now. Sensipar, by the way, is having a really strong acceptance in the marketplace, stronger than I thought, and I think it gives us a lot of optimism for the future and a lot of incentive to continue to invest in the calcification of vasculature in indication expanding trials. Do we have anything else on that – (multiple speakers)?

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

I think we see a number of drivers of growth in the future. Obviously part D in 2006 will be almost a fully funded benefit for patients who are – ought to be on Sensipar, we are also pursuing primary hyperparathyroid ism CKD as you pointed out and the European launch.

The only other thing I would say is we're very actively involved in a Phase III B study and it differs from our Phase III study in that in Phase III we pretty much held vitamin D constant and added on Sensipar. In Phase III-B, we actually went in with a notion of having Sensipar as a base line therapy for treating secondary hyperparathyroid ism and then titrated in vitamin D and other the phosphate bonders and we'll be reviewing the results of that study in the near future and our sense is that's going to be very positive in terms of minimizing the use of resources and also achieving a much higher percentage

of patients getting into the K/DOQI range. We're very excited about Sensipar. And as Kevin said, we're very pleased with the launch.

Operator

Next question comes from May Kin Ho with Goldman Sachs.

May Kin Ho - *Goldman Sachs - Analyst*

Hi, George. Can you talk a bit about the pricing environment. You indicated that when J&J adjusted their prices, you responded within days and that they had a price increase in June. Was any price increase in June for you or obviously you cannot comment for the future?

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

Yes, we did take a catalogue price increase a couple of weeks ago for Aranesp, NEUPOGEN, and Neulasta at 6%.

Operator

Next question comes from Robert Goldman with Buckingham Research.

Robert Goldman - *Buckingham Research - Analyst*

Thank you. On AMG162 and I apologize if I missed this because it sounds like you spoke to the pipeline on that product but I understood that Phase II data was going to be presented soon, 12 month data. Can you just tell me when and at what forum we should expect that data?

Unidentified Speaker

I don't have off the top of my head the forum. What we did announce is that, in my remarks, that the Phase III trial for AMG162 has been fully funded by us which is part of the expense at the back half of the year that we referred to, and that we think the AMG162 Phase III is imminent. I'm sorry we'll have to get back to you on exactly what the scientific forum is that the Phase II final results will be presented but it will be this year.

Operator

Next question comes from Ron Renaud, with JP Morgan.

Ronald Renaud - *JP Morgan - Analyst*

Good afternoon. Question for George. George, some discussions that we've had with cancer program administrators, there's been some speculation that McClellan may implement an administrative delay in the ship from AWP times 85% to an ASP plus 6%. And then the length of that delay, I've heard anything, could be from six months to 12 months but again, just speculation and I've also heard that there may be a stay on how drug administration services are reimbursed in terms of keeping this year's rate the same for next year. Curious to know if you've heard the same thing or if you can comment at any length on that.

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

Kevin, you met with McClellan --

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

Yes, I just met with Dr. McClellan just last week, and Ron, I didn't hear anything even remotely like that. Our plans are that this is going to get implemented on time and we've had lots of discussions with the technical folk at CMS and I know they're sure thinking that, too. But, I know there's a lot of discussion here, I know a lot of physicians are very, very concerned and there's lots of pressure here, but our own expectation of plans are this will be implemented on schedule.

Operator

Next question comes from Jim Reddoch with Friedman Billings.

Jim Reddoch - *Friedman Billings Ramsey - Analyst*

Thank you. Just to be clear, did your previous guidance of 230 to 240 include the impact of the Tularik acquisition or the impact of Tularik's R&D on your total R&D, and could you just quantify what the per share impact of including Tularik is? Thanks.

Richard Nanula - *Amgen Inc. - Executive Vice President and Chief Financial Officer*

Our previous guidance did not include either Tularik or a significant Phase III trials for 162. So those are both events that have happened, since we gave you our guidance late last year, which is why they're going to impact our second half of the year and be significant for us. The -- I can't impact on a per share basis but I did say when we announced the Tularik acquisition that we expected that the Tularik acquisition would add about $100 million annually to our R&D expenses.

Operator

Next question comes from David Chan with Jennison.

David Chan - *Jennison Associates - Analyst*

Hi. Just to clarify on the 2005 reimbursement. I guess there's kind of an opportunity here to flatten out your discount structure, so that you wouldn't have that weird problem where the low volume oncologists would lose money. But is it just the marketplace conditions are such that you can't really do that right now?

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

David, it's a good question, but that gets into a competitive area, I would rather not comment on now. But just recognize that under an ASP environment, any time you lower your price, you're kind of chasing your tail. So, you know, hopefully we can actually get it going the other way.

Operator

Next question comes from Matt Geller with CIBC.

Matt Geller - *CIBC World Markets - Analyst*

Hi. Thank you. Has the change, has price rise that you've done in June, how do you think that will affect computation of ASP going into next year or will it?

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

I think it'll have a minor impact. There is some price protection in contracts, at least, temporarily some products longer term for others. But it certainly happened -- you know, this is a quarter upon which ASPs for the first quarter next year will be determined, so we'll have a minor impact this quarter, but certainly it had more impact in subsequent quarters.

Operator

Next question comes from Mark Augustine with CS First Boston.

Mark Augustine - *Credit Suisse First Boston - Analyst*

Hi. First of all, sorry if I missed it, what were the Q2 sales and do you plan to present Phase IIIB data described earlier this year?

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

We didn't breakdown, I don't think Sensipar sales. And the data -- we'll have to get back to you on.

Mark Augustine - *Credit Suisse First Boston - Analyst*

ASN?

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

ASN is the likely event of nephrology meeting, I guess, it's in December.

Operator

Next question comes from Stanley Grossman (ph) with Berman Capital.

Stanley Grossman - *Berman Capital - Analyst*

Yes, hi. Great quarter. Congratulations. I had a, just a follow-up -- Bob asked about AMG162, the Phase II data. There were 500 patients and you did announce at R&D meeting that you would give a follow-up or breakout the results within, you

know, the 12 months data, so there's nothing at this point that you could comment on?

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

No. We're going to provide the data. I just don't have that date off the top of my head. There's no untoward anything. We'll have to get back to you on the forum and the date.

Richard Nanula - *Amgen Inc. - Executive Vice President and Chief Financial Officer*

I believe it's September, Seattle, the American Society for Bone and Mineral Research.

Stanley Grossman - *Berman Capital - Analyst*

Okay.

Richard Nanula - *Amgen Inc. - Executive Vice President and Chief Financial Officer*

OK. But just for expectations, that data will, sort of, generally not be part of these kind of calls. Roger is not on the call. These are going to be earnings and commercial calls and we're going to use the medical meetings and things like R&D day to amplify further on R&D program.

Operator

Next question comes from Elise Wang with Smith Barney.

Elise Wang - *Smith Barney Citigroup - Analyst*

Hi. Nice quarter. I was wondering two things. One, if I recall, Richard, I think, when you did announce the acquisition of Tularik, I thought you had reaffirmed your guidance at that point of 230 to 240 as inclusive of the acquisition? And then, second of all for George, if you could perhaps share with us some of your knowledge of what's anticipated from CMS regarding the physician fee scheduling, what commentary they are expected to make about the ASP guidelines in that? As we understand that physician fee schedule is going to be coming out fairly soon.

Richard Nanula - *Amgen Inc. - Executive Vice President and Chief Financial Officer*

I'll take the first one, Elise. Yes, I did reaffirm our guidance with Tularik, once again, earlier this year. I am reaffirming it again with Tularik as of now. I think maybe what folks are getting hung up on; we're having a strong sales year. We were already having good momentum when we announced the Tularik deal, so we said, we could handle it in our current guidance. Now we're saying, we can also handle 162 in a relatively significant program in our current guidance, as well, so I hope that's clarifying.

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

Elise, we've heard a lot of rumors, obviously, but we've got no official guidance from the CMS on when they're going to publish ASP numbers and how they're going to publish it. You know, we've heard the same ones about the physician fee schedule, but nothing confirmed.

Operator

Next question comes from John Sonnier with Prudential.

John Sonnier - *Prudential Equity Group - Analyst*

Well, this question is for George. Obviously, real exciting data on Neulasta from the low risk trial. And I guess the question is where do you take it from here? What do you think it really takes to drive a paradigm shift from reactive to proactive use? Do you have some pharmaco-economic trials set up, I guess? Just where do you go from here?

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

Well, I think shame on us and shame on doctors if they don't respond to this data. As Kevin said, it's the largest study of its kind. It's unambiguous in that Neulasta dramatically reduced the incidence of febrile neutropenia, dramatically reduced the incidence of hospitalization, dramatically reduced the incidence of IV antibiotic use and actually there was a signal on lower mortality, so hopefully the data itself, once we get it out there, will speak for itself, but certainly, John, the second part and we'll be doing that in the near future, the second part is guidelines and hopefully the bodies that publish

guidelines like ASCO and MASCNTCN will pick those up and incorporate them as quickly as possible.

So it takes time, John, as you know to change medical practice. That's, you know, we're in the business of doing that with high quality data, and this is a phenomenal opportunity, because today only about 15% of patients are being Proflex first cycle (ph), and what this data says is a much larger percentage ought to be Proflex first cycle.

Operator

At this time I would like to remind everyone, if you would like to ask a question, please press "star", then the number "one" on your telephone keypad. Your next question comes from Eric Ende with Merrill lynch.

Eric Ende - *Merrill Lynch - Analyst*

Thanks. I just have a quick modeling question for Richard. First of all, tax rate was 27.3%. Is that a number we should be thinking about going forward, and then secondly on the cost of goods or the gross margin should we think about the gross of margin going forward as similar as to what it was in the second quarter?

Richard Nanula - *Amgen Inc. - Executive Vice President and Chief Financial Officer*

Cost of goods number, Eric is probably a high water mark, this quarter for the year so the rest of the year should be a little bit lower. And then it's a pretty reasonable number for tax rate.

Operator

Your next question comes from May Kin Ho with Goldman Sachs.

May Kin Ho - *Goldman Sachs - Analyst*

Am I allowed to ask a follow up question or should I go back.

Unidentified Speaker

Once only one May Kin. You might know that there's this trend that, you know, we're going to have to cut off but for you, you can ask a follow-up.

May Kin Ho - *Goldman Sachs - Analyst*

Thank you very much. George, can you tell us whether the weekly preferred syringe for ENBREL would be approved by yearend?

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

That is our plan, yes.

May Kin Ho - *Goldman Sachs - Analyst*

Thank you.

Operator

Next question comes from Elise Wang with Smith Barney.

Elise Wang - *Smith Barney Citigroup - Analyst*

Do I have the same permission?

Unidentified Speaker

Go for it.

Elise Wang - *Smith Barney Citigroup - Analyst*

Okay. Just wanted to ask you on -- you mentioned that you are pursuing obviously the clinical development program on Aranesp. Could you give us an update on the head-to-head study to Procrit and also any other types of studies that you're conducting with Aranesp?

Richard Nanula - *Amgen Inc. - Executive Vice President and Chief Financial Officer*

Yes I'll turn this one over to George, but I would rather not have on these calls this clinical scientific discussion. The guy who runs that is not here and is available at other forums, but

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I think we can take -- we can take this one on, the head-to-head data, we've got the head-to-head data and I'll let George talk about it.

George Morrow - *Amgen Inc. - Executive Vice President of Global Commercial Operations*

Yes, we've run a couple of big trials and, you know, we feel very confident that 200 mics (ph) every other week is comparable to 40,000 units per week of Procrit and a little bit of a hint through abstracted ASCO, and you know, the big trial is finishing up pretty soon. J&J is doing their trial and so we'll be back at it in the near future so we're confident about that.

The other trial that we're really excited about is the treat (ph) trial. We've talked about that in the past. You know, right now we really see a lot of growth potential in the anemia market, and one of the things we have to do is get beyond these products being used as replacements for transfusions and products that treat fatigue. We really think they're going to have a positive outcome in terms of lowering morbidity, mortality. We're conducting a very large extremely well-designed trial that's going to look at mortality and morbidity in particularly CKD diabetic population. And so that's really where we're going. We're going to continue to invest in growing this market, because there are lots of patients out there who are anemic and symptomatic who need to be treated.

Operator

Ladies and gentlemen, we have reached the end of the allotted time for questions and answers. Mr. Sharer, are there any closing remarks?

Kevin Sharer - *Amgen Inc. - Chairman & Chief Executive Officer.*

No. Thanks a lot.

Operator

This concludes today's conference call. You may now disconnect.
