C

immunex

1991 ANNUAL REPORT

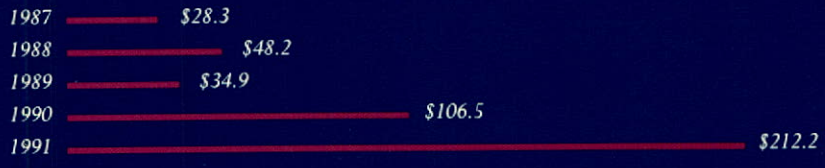
Table of Contents

FINANCIAL HIGHLIGHTS

Selected Financial Data *(in thousands, except per share amounts)*

	1991	*1990*	*1989*	*1988*	*1987*
Revenues	$ 62,615	$ 34,879	$ 28,166	$ 22,234	$ 15,704
Net income (loss)	802	(9,887)	(14,245)	657	(175)
Net income (loss) per common share	.05	(1.10)	(1.99)	(.01)	(.02)
Total assets	254,023	121,088	87,727	95,177	73,641
Long-term debt, including current portion	33,228	8,173	46,413	43,216	42,596
Stockholders' equity	212,182	106,507	34,931	48,226	28,265

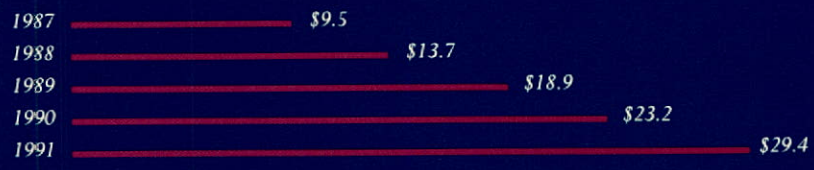
Stockholders' Equity *($millions)*



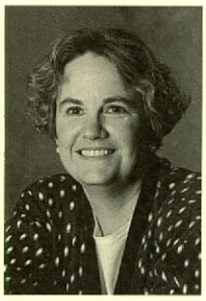
Long-Term Debt *($millions)*

Working Capital *($millions)*

R&D Expense *($millions)*



Since FDA approval in March 1991, Immunex has shipped thousands of vials of LEUKINE® (Sargramostim) to hospitals, pharmaceutical warehouses, clinics and physicians' offices across the country. In a photograph, LEUKINE appears as just a trace of white powder, clinging to the inside of a small, clear bottle. But from the stories of people whose treatment for cancer has included LEUKINE another picture unfolds. Here are four patients who talk about what LEUKINE meant to them.

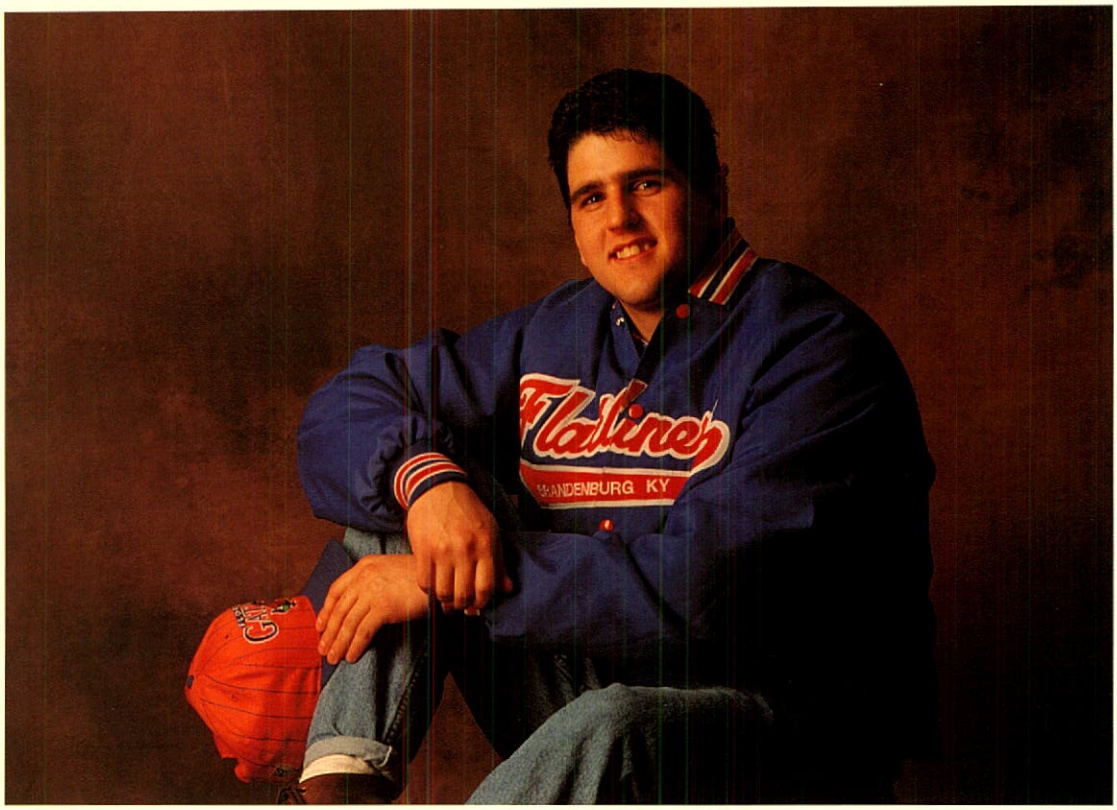


"The important point was that LEUKINE ameliorated the significant neutropenia attached to his therapy. It went fine and he had a remarkably smooth course. He has no evidence of either local or metastatic disease, and we'll follow him closely to make sure he doesn't have a relapse." **Carolyn Collins, M.D., Assistant Professor, University of Washington Department of Medicine, Division of Oncology**

After a year-long bout with cancer, Tom Martin's physician told him that "things are looking very good" at his last checkup in February 1992.

"Having my white count back up made a big difference to me. LEUKINE helped me stay clear of infections and get out of the hospital earlier, and that made it possible for me to be in the two places where I wanted to spend my time — at work as a hospital administrator, and with my family. Learning I had cancer refocused everything. In my work, I want to serve, it's a big part of what I find important in life. Away from work, soccer is a big part of what we do as a family. I coached my 22-year-old son for nine years, my 12-year-old grew up on the field, and my wife and I play intramural soccer together." **Thomas Martin, Reardon, Washington**

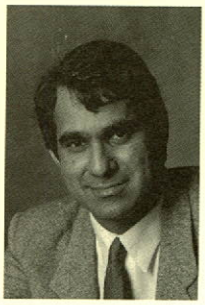
"The use of LEUKINE in Todd's case eliminated about a week of hospitalization and neutropenia. He has been in a complete remission for about eight months. I think Todd is a good example of how effective the drug can be and I think the drug has made a big difference to our patients." **Don A. Stevens, M.D., Assistant Professor, University of Louisville, James Graham Brown Cancer Center, Louisville, Kentucky.**



Before starting his treatment for leukemia in July 1991, Todd Dunn, 22, wanted to play one more game of softball.

"My doctor wanted me to go to the hospital as soon as possible, to get this thing early. My friends and the people I work with at the printing plant sent tons of cards and flowers. My friend Missy O'Neal was real supportive — she never missed a day. She even turned down a job offer so she could stay with me. My friends and I have played softball in the Brandenburg league for about five years. We have already played a charity tournament in Louisville this winter, but our season doesn't really start until it gets warm. Then we'll play all summer long." **Todd Dunn, Brandenburg, Kentucky**

Extensively treated for cancer, Angela Rose, now 23 years old, underwent a bone marrow transplant in April, 1991.



"With the type of therapy Angela had, it would have been impossible for us to help sustain her without the use of cytokines. With LEUKINE her counts stay high enough so that she doesn't get infected and she continues to function as near to normal as possible." **Tauseef Ahmed, M.D., Director of Marrow Transplantation Services at New York Medical College**

"After my transplant, my bone marrow didn't want to work. But the LEUKINE treatment helped my white counts recover. Over the last year, I've kept this scrapbook of posters and pictures and newspaper articles — about the fund-raising efforts to help cover the costs of my cancer treatment. People have really come together for me — it's been a wonderful experience. LEUKINE has been a great help to me, and I have a wonderful physician. I wouldn't be here if it hadn't been for both of them." **Angela Rose, New Rochelle, New York**

First diagnosed in 1987, Vicki Logsdon's cancer returned, requiring a bone marrow transplant in October 1991.

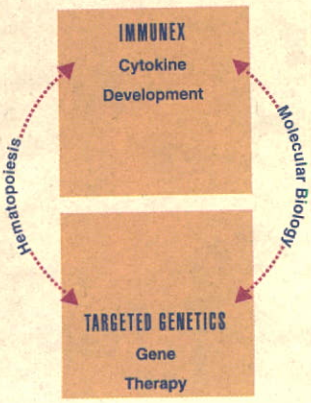
"A typical dose-limiting side effect of the program we used for Vicki was not encountered, probably due to LEUKINE. Because she started eating right away and really didn't have any complications, she was able to get out of the hospital and back to work."

Charles M. Strnad, M.D.,

Cancer Care Associates, Tulsa, Oklahoma

"Bear Nurse is one of the things my friends gave me when I was in the hospital. I went back to work two weeks after leaving the hospital. I'm a secretary and I really liked my job, and my doctor said I'd gotten on with my life and back to work faster than anyone he'd seen or heard of. I'm 46, and my husband and I have four step-children. One is getting married in July. I hope to be able to give Bear Nurse to my grandkids some day — and I'll tell them how important your friends and your family can be to you." **Vicki Logsdon, Tulsa, Oklahoma**

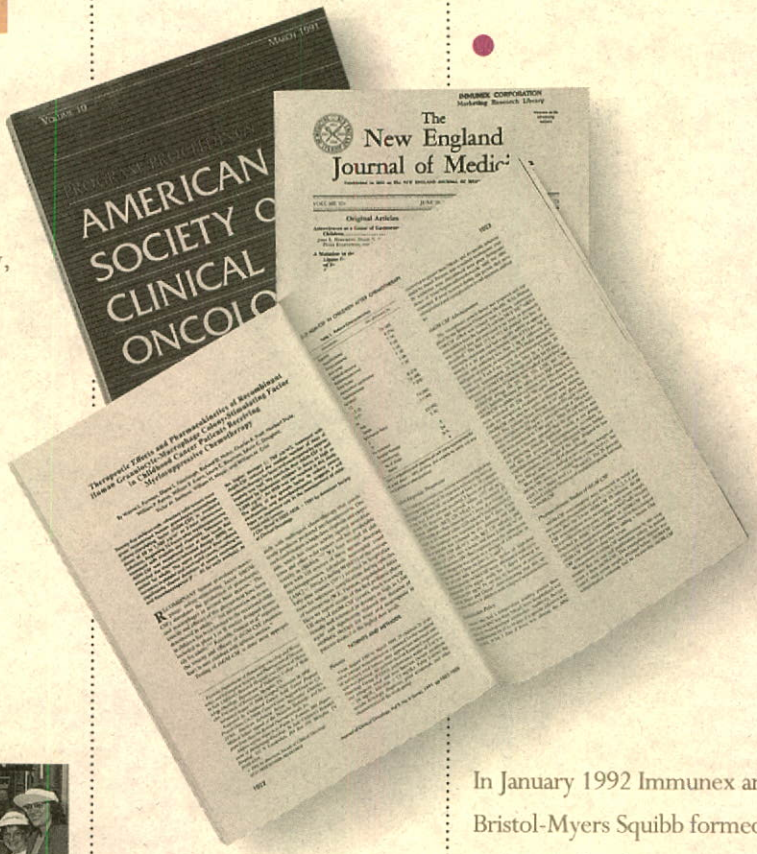
Immunex Corporation is a biopharmaceutical company focused on the discovery, development, manufacture and marketing of products to treat immune system disorders. Immunex is dedicated to bringing new and important drugs to market to provide substantial health care benefits to patients, and significant returns to its stockholders.



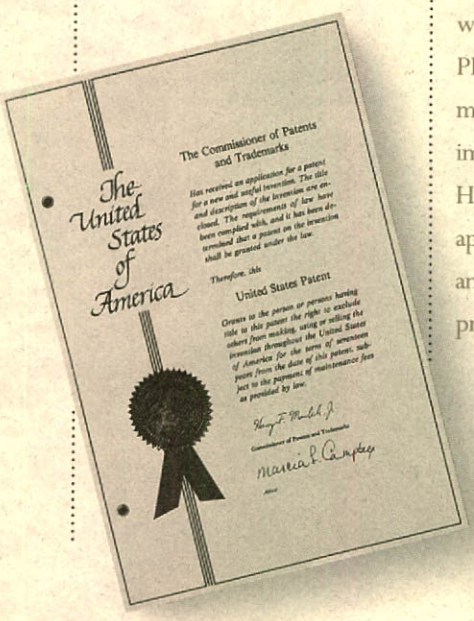
In January 1992, Targeted Genetics, a subsidiary formed to develop Immunex's gene therapy technology, was spun out as an independent operation.

Results of key clinical studies using LEUKINE were reported in the *New England Journal of Medicine, Journal of Clinical Oncology* and at meetings of the American Society of Clinical Oncology.

The FDA expanded LEUKINE's use to cancer patients whose bone marrow transplants have failed. Data supporting this new indication suggested a two-fold improvement in survival rate for LEUKINE-treated patients.

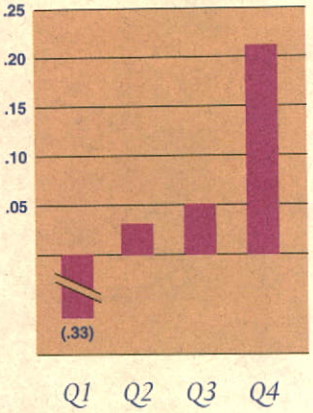


A broad U.S. patent was issued to Immunex on GM-CSF/IL-3 fusion proteins, including PIXY321.



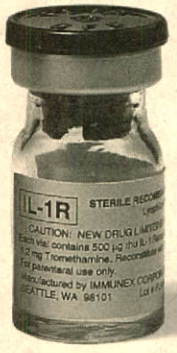
In January 1992 Immunex and Bristol-Myers Squibb formed an international strategic alliance to develop and market cancer drugs. Under the alliance, Bristol-Myers Squibb will develop and promote PIXY321 in foreign markets; Immunex will immediately begin selling HYDREA and RUBEX, two approved anti-cancer agents, and co-marketing five cancer products in the United States.

NET INCOME PER SHARE IN 1991



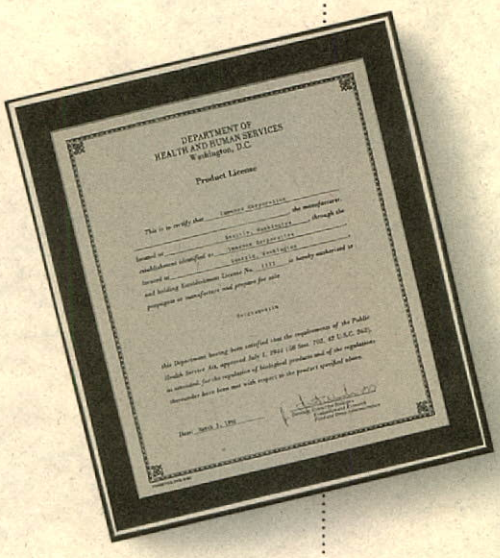
Profitable on an annual basis for the first time in its history, Immunex posted a gain of $.05 per share in 1991. Results for the year included three consecutive profitable quarters following the launch of LEUKINE.

Soluble Interleukin-1 (IL-1) receptor entered clinical trials in November. The first Immunex product directed to autoimmune disease markets, IL-1 receptor will be tested as a potential treatment for ailments ranging from allergies to rheumatoid arthritis to chronic myelogenous leukemia.



immunex

YEAR IN REVIEW

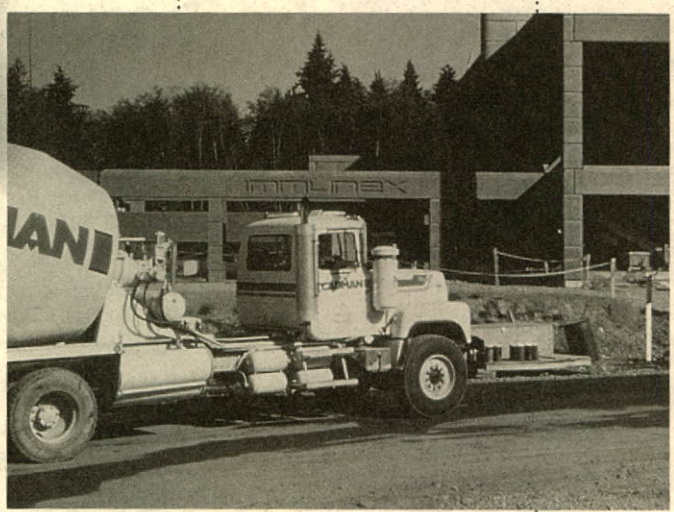

DEPARTMENT OF
HEALTH AND HUMAN SERVICES
Washington, D.C.

Product License

Immunex received approval March 5th to market LEUKINE in the United States; two days later, our first order was shipped.

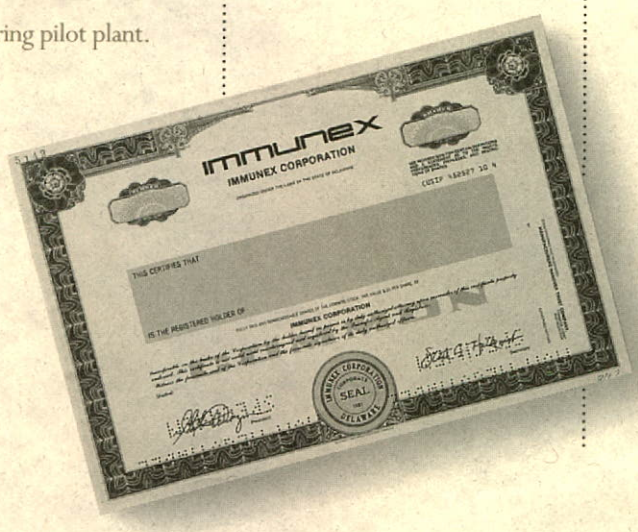
To accommodate future expansion of the company's headquarters, Immunex purchased land adjacent to its downtown Seattle facilities, which house laboratories, administrative offices and manufacturing pilot plant.

Clinical trials began with PIXY321 in October, a year after its discovery was announced. PIXY321, a second generation bio-pharmaceutical, promises to increase both white blood cells and platelets after immune-suppressive chemotherapy.



Construction on the Immunex Manufacturing and Development Center will be completed this year.

A stock sale of two million shares in March generated $102 million. Although this was the largest sum ever raised by Immunex, the company still has a relatively small 14.9 million shares outstanding.



Steve Duzan (above) presents Steve Gillis with 10th year award.

Employees celebrate Immunex's anniversary (center and right).

Immunex marked its tenth year in 1991. Employment at year-end totalled 527 — 221 in R&D, 118 in manufacturing, 188 in operations and administrative positions. Five of the company's six original employees are still with the company.

Without question, 1991 was the most demanding and gratifying 12 months in Immunex history. After a decade of operation as one of the world's leading immunology laboratories, this company — virtually overnight — became a fully integrated, operating pharmaceutical business. We sold our first product. We earned our first year of profit. We saw tangible proof of our vision. That we had prepared carefully for this transformation in no way diminished its impact.

The pivotal event, of course, was federal approval to sell our drug LEUKINE. With our sales force already in place and sufficient LEUKINE vials stockpiled, we were able to ship orders almost immediately after the Food and Drug Administration issued us a license on March 5, 1991.

As many stockholders know, LEUKINE is our trade name for GM-CSF, (one of a number of such molecules known as cytokines) that stimulates the growth of two types of white blood cells in the human body. These cells, called granulocytes and macrophages, are made naturally in the bone marrow, and they defend against infection. But in cancer patients, white cells are often destroyed by high doses of chemotherapy or radiation treatment, leaving the patient vulnerable. Some patients require bone marrow transplants to re-start production of white cells, and LEUKINE is prescribed to help stimulate white cell growth. This "adjunct therapy," which mitigates negative side effects of the primary cancer therapy, has become a critical component of oncology.

As noted in last year's report, our development strategy for LEUKINE was to win regulatory approval as quickly as possible. Our short-term objective was to start earning LEUKINE revenues sooner, which we did. During 1991 and into 1992 we are continuing human clinical trials, testing LEUKINE's ability to treat AIDS and several infectious diseases, as well as its use as an adjunct to chemotherapy. We expect to apply for broader labeling of LEUKINE in 1992.

As a direct result of LEUKINE sales, we were profitable in our second, third and fourth quarters of 1991, and enjoyed our first annual profit of slightly under $1 million. We expect to maintain profitability in 1992 and beyond, with the cash flow from LEUKINE sales funding our R&D activities.

We ended 1991 with a strong balance sheet, in part because of a $102 million public stock offering in March. As of December 31 we had $145 million in cash, with only $26 million in long-term debt.

Michael L. Kranda, President, Chief Operating Officer

Our cash position gives us considerable fiscal stability, along with the flexibility to acquire rights, products or other assets as opportunities occur and our needs dictate.

We broke ground in 1991 for construction of new manufacturing facilities north of Seattle. We designed two buildings, since the FDA requires separate facilities for separate types of manufacturing processes. At 80,000 square feet, the larger of the two will manufacture LEUKINE, PIXY321 and other recombinant proteins using microbial expression technology. The 20,000 square foot building will produce soluble receptors, using mammalian cells. Construction of the two buildings was financed in part by a bank loan. The mammalian expression plant was completed in January, and the larger microbial plant will be completed on schedule during 1992. Even though these facilities will give us a greatly enlarged manufacturing capacity, we will likely need a large-scale mammalian plant in the middle of the decade. And, to complete our control over our entire manufacturing process, we will also consider building a finishing and vialing plant — currently that work is subcontracted.

In last year's letter I said that in spite of our enthusiasm for LEUKINE, we did not intend to be a one-product company. At the end of 1991, we had five products in human clinical trials, with a sixth one poised to enter in 1992. We have assigned our highest priorities to four of them, LEUKINE, PIXY321, Interleukin-1 receptor, and TNF receptor. The latter three represent entirely new concepts in immunologic therapy:

PIXY321 is a second-generation colony stimulating factor genetically engineered to combine the biologic effects of GM-CSF (stimulating white blood cell production) and Interleukin-3 (stimulating the production of platelets, essential for blood clotting). Immunex holds a U.S. patent on the PIXY321 molecule.

Interleukin-1 receptor is our first soluble receptor product, and it has been designed to intercept IL-1 molecules before they can trigger harmful immune responses. By intercepting IL-1 molecules and neutralizing them, the soluble IL-1 receptor may be able to treat widespread autoimmune and inflammatory diseases such as rheumatoid arthritis (2.2 million cases in the U.S.), organ transplant rejection, septic shock, multiple sclerosis, and asthma and allergies (10 million cases in the U.S.). Immunex holds two U.S. patents on IL-1 receptor.

TNF receptor intercepts and neutralizes the cytokine Tumor Necrosis Factor (TNF). An excess of TNF has been identified as a harmful influence in the inflammatory response of septic shock, an often fatal over-reaction of the body to severe bacterial infection. More than 200,000 cases of septic shock a year are reported in the U.S. (Details on all four products appear on pages 14 and 18, following this letter.)

Steven Gillis, Ph.D., Executive Vice President

Our product pipeline represents work that has taken place in our labs over more than 10 years. Our wellspring is — and always has been — exceptional science. More than 50% of our 500-plus staff is engaged in research and development. In 1991, Immunex scientists published more than 90 papers in medical or scientific journals; the October issue of *Forbes* magazine described our scientific publishing as among the best in the country, as measured by the frequency *other* scientists' papers cited our findings. In the past 18 months, we have added much more "D" to our "R&D" — experts in clinical research, biostatistics, regulatory affairs, process development and other disciplines necessary to get products approved. We have learned much through the regulatory process, and in so doing we have enhanced our credibility among the regulators.

In 1992 we will spend approximately 50% more on our R&D, most of it in clinical trials for the drugs in our pipeline. Still, the "R" component of R&D remains vigorous, and the exploring goes on. One example: In 1991, our researchers found four new protein molecules that influence the immune system.

We will receive substantial new revenues in 1992. On January 30, 1992 we announced that we had obtained United States marketing rights to two Bristol-Myers Squibb oncology products and co-promotion rights to five additional oncology products, in exchange for rights to PIXY321 outside of the U.S. and Canada. This arrangement has four benefits for Immunex: First, it has the potential to significantly enhance our revenues.

Second, having access to the Bristol-Myers Squibb oncology drugs makes our sales force much more efficient. In 1991, our sales people — experienced and well-trained in pharmaceuticals and oncology products — did a marvelous job of telling the LEUKINE story, and created a positive climate for insurance reimbursement of this new drug. With the Bristol-Myers Squibb products, they now have a broader array of oncology drugs to sell, and more opportunities to call on physicians more often.

Stephen A. Duzan, Chairman and Chief Executive Officer

Third, PIXY321's development and approval in Europe and Japan will be conducted on a much faster track, since Bristol-Myers Squibb will fund that effort. Immunex will still receive a substantial share of the revenues from those markets.

Finally, in my judgement, Bristol-Myers Squibb's enthusiasm for this trade is a tremendous validation of the potential of PIXY321, and of Immunex. With this transaction, Immunex fields one of the largest lines of oncology products in the United States, second only to Bristol-Myers Squibb itself.

Ten years ago, when Immunex was founded, no one among us could have predicted where our science would take us. Our vision was a faith in our ability to explore, and convert the results into a viable business. In retrospect, the odds against us were staggering: Many of the 1000-plus biotechnology companies started in the 1980s are now gone, or struggling.

We believe our own survival is the result of excellent science, patience, impatience, a solid measure of luck, adaptability and hard work — bootstrapping science, leveraging one technology to discover another.

One thing remains constant: At the onset we said we were in this business for the long term, and that we would invest in the future of Immunex for the benefit of our stockholders. That is still our intent.

Stephen A. Duzan, Chairman


IMMUNEX PRODUCTS

APPROVED CANCER PRODUCTS – CO-PROMOTED	INTERLEUKIN-1 RECEPTOR	TUMOR NECROSIS FACTOR RECEPTOR	INTERLEUKIN-1 ALPHA & BETA
BiCNU (carmustine) CeeNU (lomustine) LYSODREN (mitotane) TESLAC (testolactone) MYCOSTATIN (nystatin)	Recombinant soluble human IL-1 receptor produced in mammalian cell expression system	Recombinant soluble human TNF receptor produced in mammalian cell expression system	Recombinant human IL-1 produced in e.coli; alpha and beta are two related forms of IL-1; EPIKINE is Immunex's trade name for a topical formulation of IL-1 beta for treating wounds
BiCNU – injectable anti-cancer agent CeeNU – oral anti-cancer agent LYSODREN – oral anti-cancer agent TESLAC – oral hormonal agent MYCOSTATIN – Antifungal drug	Circulating cytokine receptor protein designed to suppress IL-1-mediated immune response	Circulating cytokine receptor protein engineered to suppress or turn off TNF-mediated immune response	Proteins engineered to stimulate production of immature white blood cells and stimulate growth of skin cells
BiCNU – Brain tumors and lymphoma CeeNU – Lymphomas LYSODREN – Adrenal cortex cancer TESLAC – Breast cancer MYCOSTATIN – Fungal infections (mouth)			
	• Rheumatoid arthritis (Phase I/II) • Allergy, asthma (Phase I) • Chronic myelocytic leukemia (Phase I/II – planned for 1992) • Graft versus host disease (Phase I/II – planned for 1992)	• Septic shock (Phase I/II – planned for 1992) • Cachexia (weight loss) (Phase I/II – planned for 1992)	• Neutropenia (Phase II) • Melanoma (Phase II) • Thrombocytopenia (alpha) (Phase I/II) • Wound healing (beta) (Phase II)
Co-promote with Bristol-Myers; Squibb in U.S.; exclusive license for U.S. by 1994; Bristol-Myers Squibb supplier	Exclusive U.S. and Canada;* Behringwerke rest of world * *Subject to exercise of purchase or license options from Receptech Corporation.*	Exclusive U.S. and Canada;* Behringwerke rest of world * *Subject to exercise of purchase or license options from Receptech Corporation.*	Alpha: Exclusive in U.S.; Syntex rest of world; Beta: Licensed to Syntex world-wide; EPIKINE: World-wide rights; Immunex world-wide supplier IL-1 alpha and beta

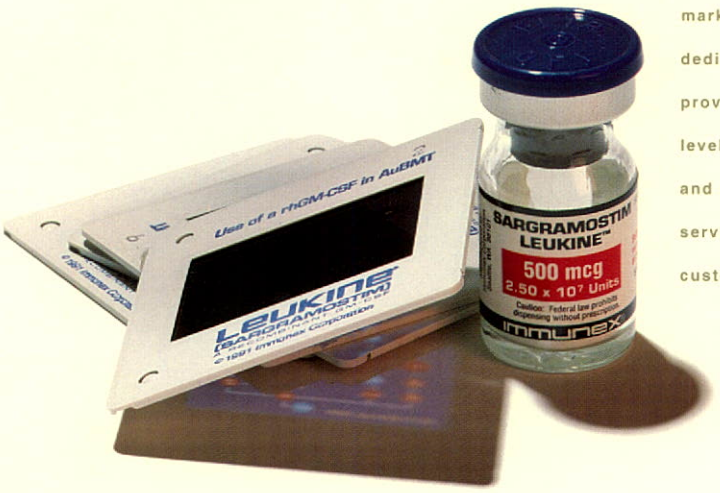
	LEUKINE	PIXY321	APPROVED CANCER PRODUCTS – EXCLUSIVE
PRODUCT DEFINITION	Sargramostim; yeast-derived recombinant human granulocyte macrophage colony stimulating actor (GM-CSF)	Plasmid Immunex yeast 321; a configuration of analog GM-CSF and IL-3 proteins produced in yeast	HYDREA (Hydroxyurea Capsules, USP) RUBEX (Doxorubicin Hydrochloride for injection, USP)
PRODUCT DESCRIPTION	Protein that stimulates production of infection-fighting white blood cells called granulocytes and macrophages	Fusion protein that combines biologic effects of the proteins GM-CSF and Interleukin-3; it is engineered to stimulate production of white blood cells and blood-clotting platelets	HYDREA – An oral anti-tumor agent RUBEX – An oral anti-cancer agent
APPROVED USES	• Adjunct therapy to bone marrow transplantation: – to promote early engraftment in certain cancers – to treat graft failure and delay of engraftment in a variety of cancers		HYDREA: • Head and neck, cervical and ovarian malignancies; malignant melanoma; CML RUBEX: • Leukemia, lymphoma, solid tumors
POTENTIAL THERAPEUTIC APPLICATIONS	• Neutropenia (low white blood cell count) caused by chemotherapy (Phase III) • Infectious disease (Phase III)	Chemotherapy-induced neutropenia and thrombocytopenia (low platelet count) (Phase I/II)	HYDREA: • Sickle-cell anemia; polycythemia vera
ALLIANCES	Co-market U.S. with Hoechst-Roussel Pharmaceuticals, Inc.; Behringwerke AG rest of world; Immunex world-wide supplier	Exclusive in U.S. and Canada; Bristol-Myers Squibb rest of world; Immunex world-wide supplier	Exclusive license from Bristol-Myers Squibb in U.S.; Bristol-Myers Squibb supplier

LEUKINE

GM-CSF is a cytokine which promotes white blood cell growth and function. Immunex manufactures recombinant human GM-CSF in yeast and markets the product (Sargramostim) under the trade name LEUKINE. GM-CSF molecules stimulate production of white blood cells called granulocytes and macrophages, important warriors in the fight against infection. Currently LEUKINE is approved by the FDA for two indications: To help re-start a cancer patient's white blood cell production after a bone marrow transplant and to help white cell recovery and improve survival of those patients whose grafts have failed. One study, in the June 1991 *New England Journal of Medicine*, reported that bone marrow transplant patients treated with LEUKINE had fewer infections and spent less time in the hospital. Clinical trials are underway to prove broader uses — for example, to evaluate whether prescribing LEUKINE will keep a cancer patient's white blood cell counts up, thus allowing higher doses of chemotherapy. Other trials are evaluating LEUKINE's effectiveness as a therapy for some malignancies and infectious disease. Immunex manufactures and markets LEUKINE, and co-markets GM-CSF in the U.S. with Hoechst-Roussel Pharmaceuticals, Inc.

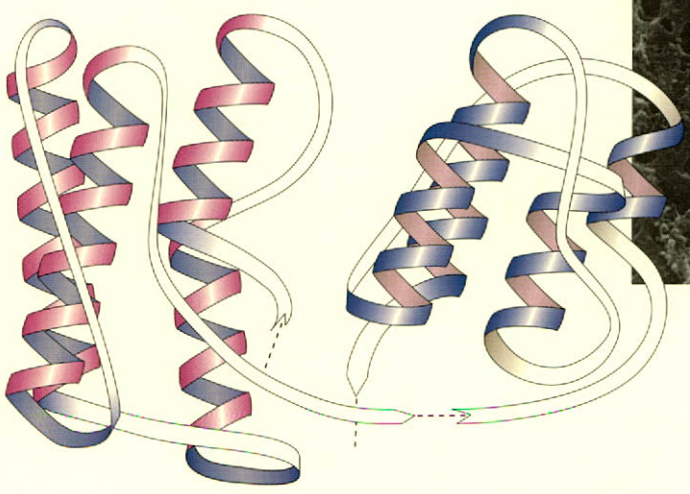
PIXY321

PIXY321 is a genetically engineered second generation colony stimulating factor, created by Immunex scientists. It is designed to combine the therapeutic effects of two cytokines: GM-CSF (production of white blood cells) and Interleukin-3 (production of platelets, necessary for clotting). PIXY321 may help alleviate several side effects that limit dosage of cancer therapy. In addition, the single PIXY321 molecule is expected to be more potent than either of the two original molecules, either alone or in combination. This feature may allow for lower doses. Clinical trials of PIXY321 in patients were begun in October 1991, exploring the molecule's potential as an adjunct to chemotherapy in cancer patients. Immunex will manufacture PIXY321 and, when approved, market it directly in the U.S. and Canada. Bristol-Myers Squibb will market PIXY321 outside North America. In December 1991 Immunex was issued a patent that covers PIXY321, and will soon receive a second patent covering the processes and materials used to manufacture the new product.

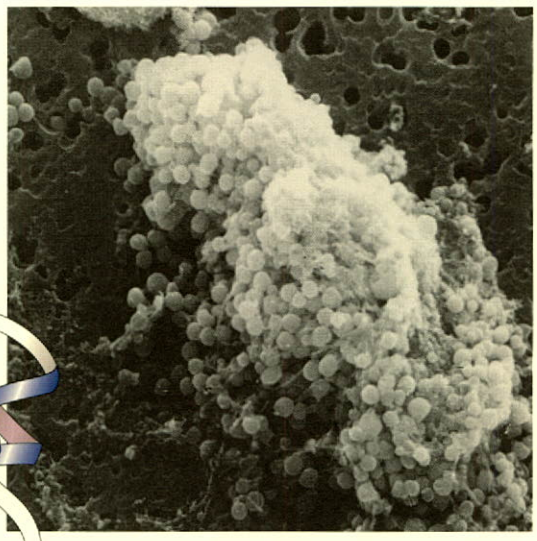


Immunex sales and marketing staff are dedicated to providing the highest level of educational and professional services to meet their customers needs.

PIXY321 is designed to combine the biologic effects of GM-CSF and IL-3 and to stimulate production of white blood cells and platelets.

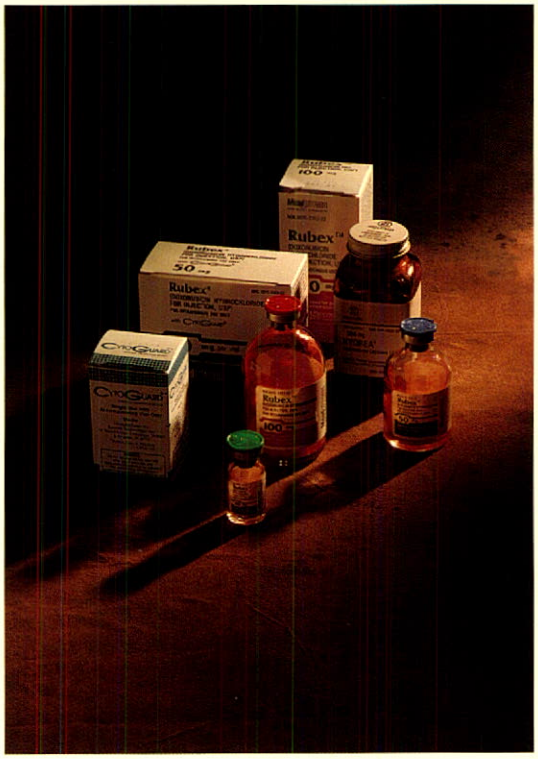


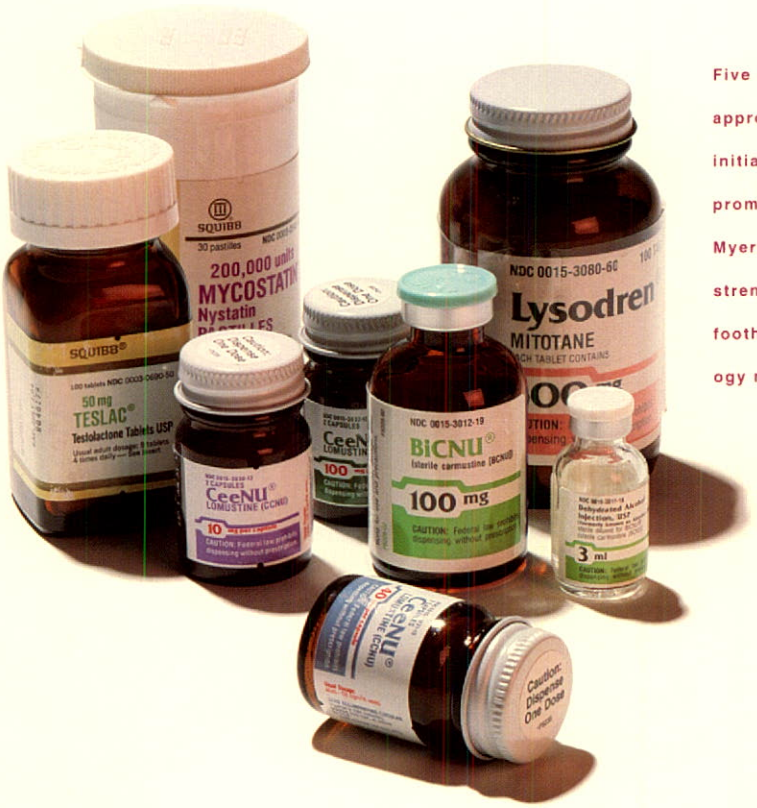
GM-GSF IL-3



Platelets are elements of the blood responsible for clotting. Thrombocyto-penia (low platelet count) is a condition that can limit the amount of chemotherapy a cancer patient can receive.

HYDREA and RUBEX are two approved anti-cancer agents now being marketed in the U.S. by Immunex, expanding the company's product line.





Five additional approved products, initially to be co-promoted with Bristol-Myers Squibb, will strengthen Immunex's foothold in the oncology marketplace.

APPROVED CANCER PRODUCTS – EXCLUSIVE

Under a January 1992 agreement, Immunex will market two Bristol-Myers Squibb chemotherapy products under the Immunex label. *HYDREA®* (hydroxyurea) is widely used to treat ovarian cancer, head and neck cancers, malignant melanoma and chronic myelocytic leukemia. The use of HYDREA in cancer therapy will be covered by patent until mid-1993. HYDREA is also in clinical study as a therapy for sickle cell anemia. *RUBEX®* (doxorubicin) is Bristol-Myers Squibb's brand of one of the most-prescribed cancer agents in the world. On the market for three years, RUBEX is used to treat breast, lung, bladder and ovarian cancers, as well as lymphomas and sarcomas. Bristol-Myers Squibb will continue to manufacture both products. HYDREA and RUBEX will be sold exclusively by the Immunex sales force in the U.S.

APPROVED CANCER PRODUCTS – CO-PROMOTED

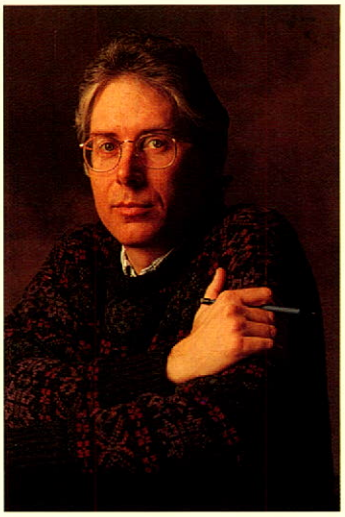
A second group of oncology products covered by the January 1992 agreement will retain the Bristol-Myers Squibb label for approximately two years. Immunex will promote the products and receive a percentage of increased sales. Unless the agreement with Bristol-Myers Squibb is terminated, by 1994 these products will be marketed by the Immunex sales force under an Immunex label. Revenues will be shared with Bristol-Myers Squibb. Both *BiCNU®* (carmustine) and *CeeNU®* (lomustine) are used to treat brain tumors and lymphomas. *LYSODREN®* (mitotane) is prescribed as a therapy for adrenal cortex cancers. *TESLAC®* (testolactone) treats breast cancer. *MYCOSTATIN®* Pastilles, an anti-fungal drug for chemotherapy-induced mouth infections, is the only brand of nystatin available as a lozenge — an important selling point. All together, the oncology drugs in the Bristol-Myers Squibb agreement are complementary to LEUKINE and to other Immunex products in clinical development. This forms a diverse product line in the oncology/hematology market, providing Immunex sales people with a range of therapies. Once in place, the drugs co-promoted with Bristol-Myers Squibb and those sold under the Immunex label will make Immunex a major U.S. oncology company, second only to Bristol-Myers Squibb itself in terms of breadth of its product line.

INTERLEUKIN-1 RECEPTOR

In normal amounts, Interleukin-1 (IL-1) molecules form a natural component of the body's immune response. But too much IL-1 — or IL-1 produced at an inappropriate location in the body — can trigger harmful reactions that lead to arthritis, allergy, asthma, diabetes and transplant rejection. The soluble IL-1 receptor is a genetically engineered form of the IL-1 receptor. Soluble IL-1 receptor is designed to circulate freely in the bloodstream and intercept the IL-1 molecules, thereby neutralizing IL-1's effects. Results from early clinical trials of this product suggest that the effective therapeutic dose of the soluble IL-1 receptor may be very low, in part because receptors remain active in the body longer than other types of IL-1 inhibitors. Immunex has received two patents on the IL-1 receptor, the first soluble cytokine receptor ever to be tested in patients. Clinical studies were begun in November of 1991 to test the receptor's ability to inhibit allergic reactions; and in January to treat rheumatoid arthritis. Other clinical programs planned for 1992 will test effectiveness in chronic myelogenous leukemia, graft versus host disease, inflammatory bowel disease and septic shock.

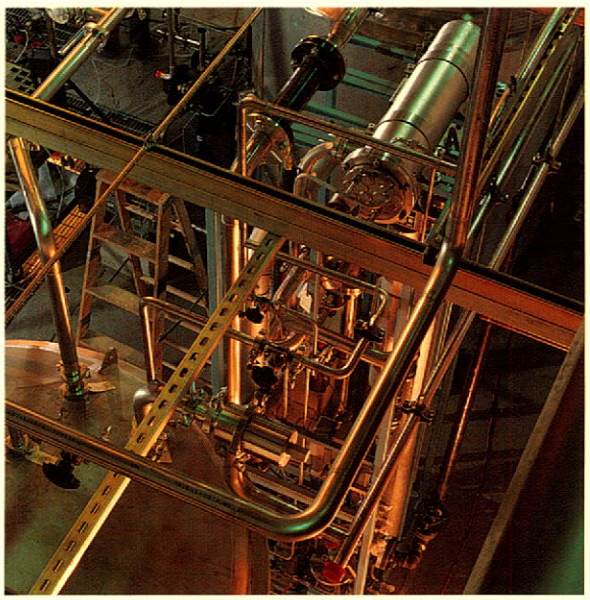
TNF RECEPTOR

As is the case with overproduction of IL-1 (above), an overabundance of the protein called Tumor Necrosis Factor (TNF) can trigger serious disease. At normal levels, TNF is one of the body's natural enemies of cancer cells. But an elevated level of TNF has a role in the onset of septic shock, as well as cachexia, a wasting syndrome in some cancer patients. Excess TNF also contributes to many other inflammatory disorders. Soluble recombinant TNF receptors, discovered and manufactured by Immunex, intercept TNF molecules and render them harmless. In preclinical studies, the soluble TNF receptor has demonstrated potential as a treatment for septic shock. Clinical studies in patients are planned for 1992. Since Immunex has developed receptors for both IL-1 and TNF, future clinical studies will help determine the relative effectiveness of both molecules, and will examine their effects both separately and in combination.

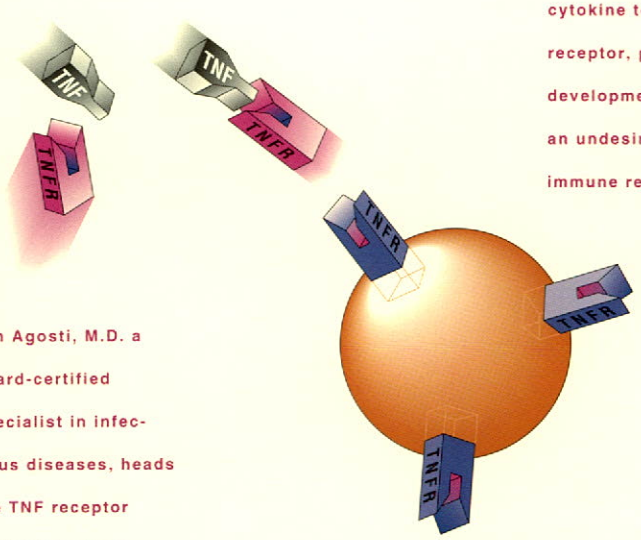


Immunex scientist John Sims, Ph.D., cloned the gene encoding the human IL-1 receptor in 1988 and was among the first to receive the drug in an initial clinical study.

A 20,000 square foot mammalian cell culture facility was built to produce Immunex's soluble receptor products.



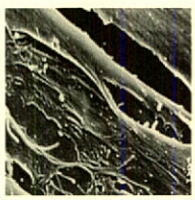
Jan Agosti, M.D. a board-certified specialist in infectious diseases, heads the TNF receptor clinical program.

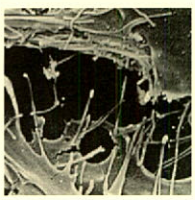


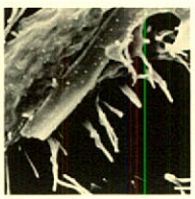
Soluble cytokine receptors interfere with binding of a cytokine to its receptor, preventing development of an undesirable immune reaction.

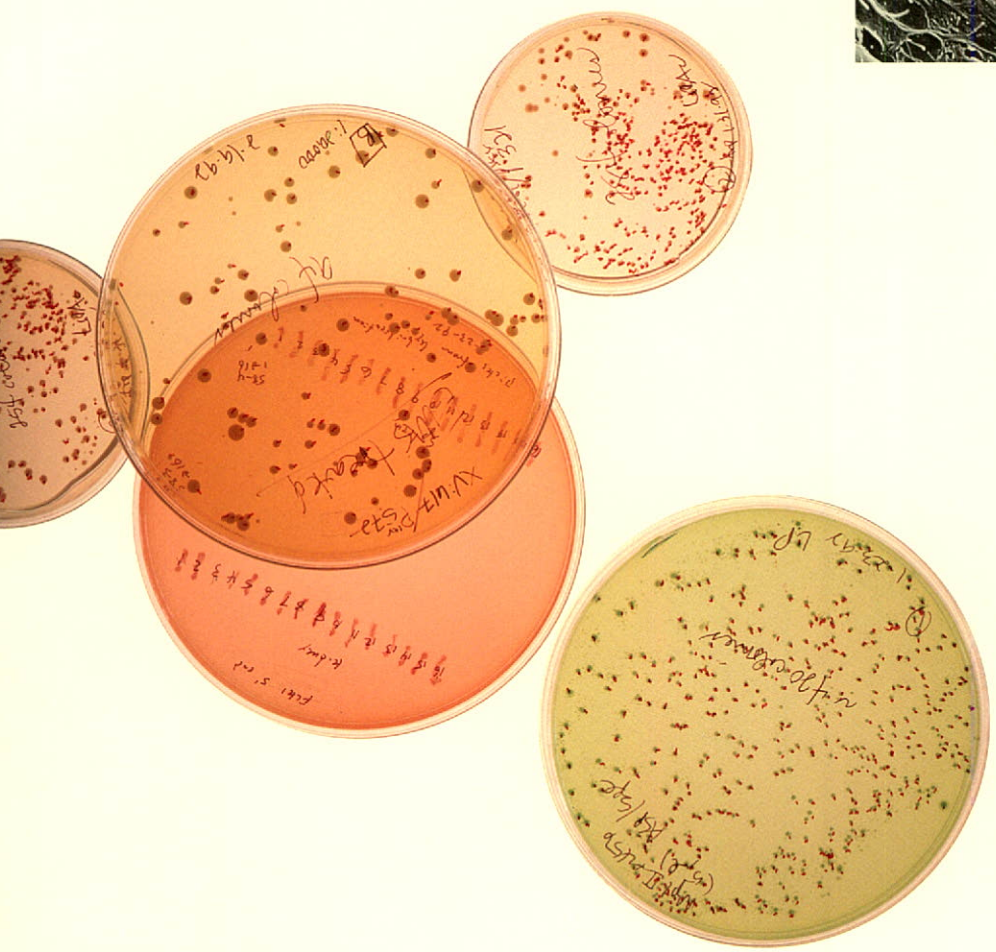
Immunex research is focused on regulation of the immune system and the role it plays in both health and disease.

Scanning electron microscopy shows the ability of IL-1 beta to promote skin cell mobility *in vitro*. The molecule may play a role in wound healing.









Tools of molecular biology: petri dishes growing bacteria that carry the genes of immune system proteins under investigation.

FUTURE PRODUCTS

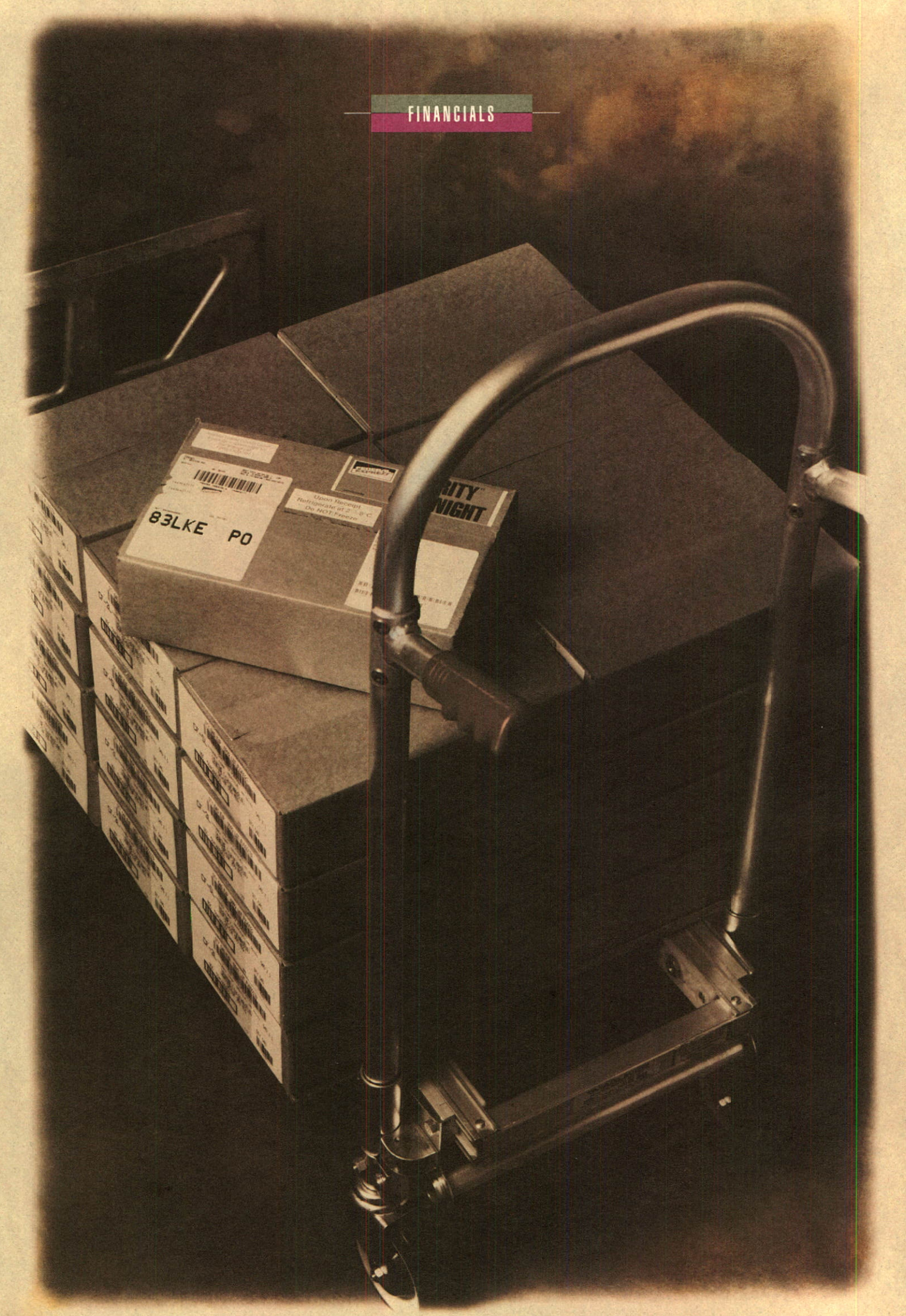
In the popular myth of science, a solitary researcher peers into a microscope, cries "Eureka!" and lives happily ever after. The reality of the pharmaceutical business is somewhat different. On average, according to the Pharmaceutical Manufacturers Association, it takes 12 years to put a new drug on the market. Fewer than one drug in 800 survives the meticulous testing and approval process. Documentation runs in the 100,000's of pages, and the cost of development averages $231 million.

But despite the plodding nature of pharmaceutical development, exciting breakthroughs are still possible. For example, in 1991 Immunex researchers discovered four previously undetected cytokines — protein molecules that stimulate immune cell activity. One technique used in 1991 was somewhat different from the normal approach to cytokine discovery. The Immunex team devised receptors similar to those found on cells, then analyzed what molecules bound to the receptors — "fishing for cytokines," one scientist calls it. Based on this approach, Immunex scientists now speculate there may be dozens more cytokines to be found.

Once a cytokine is identified, it usually takes thousands of hours to learn about its true nature — what cells it influences, what effect this might have in humans, how it may be used as a therapy. For example, several years ago Immunex determined that IL-1 was in fact two different cytokines, and its functions are now better understood. IL-1 alpha, which makes cells more sensitive to certain cytokines, is being studied by Immunex as potential therapy for aplastic anemia, AIDS and melanoma, and as an adjunct to several cancer therapies. IL-1 beta, under the Immunex trade name EPIKINE™, is being tested as a topical wound healing agent.

Discoveries are like rumors — some pan out, some don't, and many are not what they first appear to be. But since every discovery is a potential product, and competition is intense, each is pursued. "'Good science' is *everything*," says Immunex chief scientist Steve Gillis. "But good science is also done first."

FINANCIALS



Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

The past year was a significant one for Immunex as the Company launched its first product, LEUKINE. Sales of LEUKINE helped produce the first profitable year in the Company's history. The Company's successful product launch was made possible by the development of an oncology sales force and an automated distribution system.

The 1991 results reflect the impact of a series of strategic initiatives begun in 1989 designed to increase the number of products for which the Company has marketing rights. In 1989, the Company reacquired the rights to certain products under development, including U.S. co-marketing rights to GM-CSF. Simultaneously, the Company began to shift its research and development focus away from collaborative research projects toward proprietary projects. Proprietary projects generally require a higher level of internal funding than collaborative projects, but they allow the Company to retain control of the marketing rights to any resulting products. Approval of LEUKINE and the resulting sales have enabled the Company to intensify its focus on proprietary research and development. In January 1992, the Company expanded its product portfolio by completing the acquisition of exclusive marketing rights to two oncology products, and co-promotion rights to five additional oncology products, from Bristol-Myers Squibb Company ("Bristol-Myers Squibb").

The Company expects product sales to increase in 1992 as a result of the Bristol-Myers Squibb transaction described above as well as an increase in LEUKINE sales. The Company has planned substantial increases in research and development expenditures and expects growth in cost of sales and selling, general and administrative expense related to increased product sales. Profitability in 1992 and future years will depend on revenue increases exceeding increases in expenses. In addition, the Company believes that overall operating results will be significantly impacted by the level of LEUKINE sales.

RESULTS OF OPERATIONS

Revenues. Product sales were $34.2 million in 1991, increasing significantly over 1990 and 1989 product sales of $4.9 and $3.9 million, respectively. Of 1991 product sales, $29.1 million was attributable to LEUKINE. Product sales in 1990 and 1989 consisted of sales of bulk GM-CSF, which is being marketed by the U.S. subsidiary of Hoechst AG, Hoechst-Roussel Pharmaceuticals, Inc. ("HRPI"), in competition with LEUKINE, and sales of clinical testing materials to other collaborative partners.

Product sales are expected to continue to grow in 1992, as the Company begins selling the oncology products acquired from Bristol-Myers Squibb and as LEUKINE is marketed for a full year. Several factors will influence future LEUKINE sales. The Company is pursuing FDA approval to market LEUKINE for use in treating cancer chemotherapy patients. The timing of such approval will affect LEUKINE sales growth. Other factors which could influence future LEUKINE sales include price competition from the Company's existing and anticipated competitors and the issuance of any patent to a competitor which could block the Company from manufacturing or marketing LEUKINE.

Revenue under contractual arrangements decreased by $7.5 million in 1991 compared to the prior year due to a decrease in revenue-producing collaborative research and development activities. The decrease in revenue under contractual arrangements would have been larger were it not for non-recurring fees earned in the fourth quarter of 1991, consisting of $3 million in fees related to the licensing of IL-1 receptor Japanese rights and $2.5 million in fees related to the licensing of PIXY321 foreign rights to Bristol-Myers Squibb. Revenue under contractual arrangements increased by $6.5 million in 1990 as compared to 1989; however,

this increase reflected the execution of certain agreements which produced one-time fees totalling $9 million. Without these fees, a decline in contract revenue would also have occurred in 1990. This trend reflects fewer collaborative research and development projects. In mid-1992, the Company's only remaining external source of research funding, Receptech, will deplete all of its funds available for research and development. Accordingly, without new collaborative agreements, revenue under contractual arrangements will continue to decrease in 1992.

Interest income fluctuated during the three-year period based on the level of funds available for investment. Interest income increased in 1991 as a result of common stock offerings in November 1990 and March 1991 which provided net proceeds of $139.3 million. The Company expects its return on investment to be lower in 1992 as a result of lower interest rates.

Expenses. Cost of product sales as a percentage of product sales decreased to 19% in 1991, compared to 42% and 56% in 1990 and 1989, respectively. The decrease in 1991 was caused by the addition of LEUKINE sales. The cost of LEUKINE sales is lower, on a percentage of sales basis, than the cost of contract manufacturing. Cost of product sales in 1990 and 1989 pertained solely to contract manufacturing. The 1990 decrease in cost of product sales as a percentage of product sales, compared to 1989, reflected lower unit costs which resulted from increased production levels in 1990. The Company expects its cost of product sales percentage to be approximately 30% for the Bristol-Myers Squibb oncology products. Cost of product sales as a percentage of product sales is therefore expected to increase in 1992 with the introduction of these products.

Research and development expense increased by 27%, or $6.2 million, in 1991 over the prior year and by 23%, or $4.3 million, in 1990 compared to 1989. The 1991 increase resulted from expanded proprietary research and development and an increase in the number of products being tested in clinical trials. Two products, PIXY321 and IL-1 Receptor, entered clinical trials in 1991. Research and development expense is expected to increase substantially in 1992 due to the expansion of existing clinical projects and the start of clinical trials of a TNF Receptor fusion protein. The 1990 research and development expense increase resulted from both increased efforts related to the receptor products and Immunex proprietary research projects.

Selling, general and administrative expense increased by $11.2 million and $8.4 million in 1991 and 1990, respectively, over the prior years, as the Company built up its sales and marketing functions in anticipation of the March 1991 launch of LEUKINE. Selling, general and administrative expense is expected to continue to increase in 1992 as a result of an entire year of LEUKINE marketing and selling activities, together with marketing expenses related to the Bristol-Myers Squibb products.

Interest expense decreased by $1.7 million in 1991 compared to 1990 and $1.5 million in 1990 compared to 1989. The decrease in both years related primarily to the Company's conversion of $40 million of convertible subordinated debentures into common stock in July 1990. Also, during 1991, nearly all interest incurred by the Company was included as part of the capital cost of the new manufacturing facilities currently under construction.

Loss From Joint Venture. Loss from joint venture decreased by $2.9 million in 1991 and by $1.4 million in 1990 compared to the respective prior years. The decrease in 1990 resulted from a decline in research activities by Immunology Ventures (the "Joint Venture"), the Company's joint venture with Eastman Kodak Company ("Kodak") and Sterling Winthrop Inc., a subsidiary of Kodak ("Sterling Winthrop"), after several of the Joint Venture's projects were distributed to the partners in 1989. Early in 1991, the partners in the Joint Venture agreed to discontinue funding of the remaining Joint Venture research projects. The Company does not expect to incur any future Joint Venture losses.

LIQUIDITY AND CAPITAL RESOURCES

The Company's total cash, cash equivalents and marketable securities at December 31, 1991 represented the highest year-end amount possessed by the Company in its ten-year history. The total at December 31, 1991 of $144.6 million reflected an increase of $71.5 million over the balance at December 31, 1990. Increases in cash in 1991 included net proceeds of $102 million from a public offering of common stock and $25 million from a construction loan. Cash was utilized in 1991 to acquire capital assets and to fund operations.

The Company expended $21.7 million in 1991 on the construction of a large-scale manufacturing plant. When completed in late 1992, the plant will be utilized to manufacture LEUKINE and other products manufactured using microbial expression systems. The Company also expended $6.1 million in 1991 for construction of a manufacturing facility for production using mammalian cell expression systems. Additional expenditures on the two plants are estimated at $22.4 million for 1992. The Company also acquired, at a total cost of $14.1 million, four properties for possible future expansion of corporate administrative, research and manufacturing facilities. The Company continued to invest in existing laboratory and office facilities in 1991, expending $10 million on additions and improvements. For 1992, the Company anticipates that expenditures for additions and improvements to existing facilities will decrease to approximately $5 million.

The Company used $5.1 million of cash to fund operations in 1991. LEUKINE product sales produced a positive impact on operating cash flow; however, the Company extended payment terms for LEUKINE in order to match comparable offers by competitors, which has resulted in a higher than expected level of trade receivables. Additional operating cash will be required in 1992 to fund accounts receivable and inventory related to the products acquired from Bristol-Myers Squibb.

The Company generated $127.8 million of net cash from financing activities in 1991. The Company's primary source of cash in this area was a public offering of 2,000,000 shares of common stock completed in March 1991, which provided net proceeds of $102 million. The Company also received $25 million from a construction loan for the new manufacturing facilities. Exercises of common stock options and warrants provided an additional $2.9 million. The Company used $2.1 million for principal payments on capitalized lease obligations. In 1992,the Company will begin to make principal payments of $4.8 million per year on its construction loan. Exercises of employee stock options and warrants should continue to provide cash in 1992 and future years.

The Company holds a purchase option and license options to reacquire all or license part or all of the technology currently being developed by Receptech. The Company has the right to exercise the purchase option at a total cost of approximately $60 million through January 31, 1993. Thereafter the exercise price increases annually through expiration of the option in January 1995. For licensing purposes, the products being developed by Receptech were divided into two separate development programs. The Company has the right to license the products under either, or both, programs at an exercise price of approximately $29 million per program through January 31, 1993 plus ongoing royalty obligations. Thereafter, the exercise price of both license options increases annually until their expiration in January 1995. The Company must continue to fund Receptech's research and development once Receptech has depleted its own funds in order to maintain the license options. Receptech is expected to deplete its funds in mid-1992. The Company has agreed to continue Receptech's research and development through 1992 at the Company's cost. The Company may decide to exercise either the purchase option or one or both of the license options in 1992. Such an exercise would require a significant investment of cash or common stock of the Company and would require the Company to record a significant charge against operations at the time of exercise.

The Company believes that its existing funds, together with cash flow from operations, proceeds from the exercise of outstanding options and warrants and external sources of financing, should be sufficient to meet anticipated funding requirements over the next several years. The Company may choose to issue debt or equity securities in the future, however, if additional cash reserves could be obtained under favorable financial market conditions or if unanticipated funding requirements arise that cannot be satisfied with existing working capital.

Consolidated Balance Sheets

(In thousands, except share data)

December 31,	*1991*	*1990*
ASSETS		
Current assets:		
Cash and cash equivalents	$ 22,462	$ 24,315
Marketable securities	122,123	48,744
Accounts receivable – trade, net	11,307	1,634
Accounts receivable – other	2,191	3,868
Inventories	4,631	2,919
Other assets	1,611	1,241
Total current assets	164,325	82,721
Property, plant and equipment, net	73,117	36,312
Other assets, at cost:		
Property held for future development	14,027	—
Patent costs and other, net of amortization	2,554	2,055
	$ 254,023	$ 121,088
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,668	$ 4,965
Accrued compensation and related items	2,423	994
Current portion of long-term debt	6,899	2,124
Other liabilities	522	449
Total current liabilities	15,512	8,532
Long-term debt and other obligations	26,329	6,049
Stockholders' equity:		
Preferred stock, $.01 par value, 1,800,000 shares authorized, none issued or outstanding	—	—
Common stock, $.01 par value, 40,000,000 shares authorized, 14,808,711 and 12,571,494 outstanding at December 31, 1991 and 1990, respectively	248,550	143,677
Accumulated deficit	(36,368)	(37,170)
Total stockholders' equity	212,182	106,507
	$ 254,023	$ 121,088

See accompanying notes.

Consolidated Statements of Income

(In thousands, except per share amounts)

Year Ended December 31,	*1991*	*1990*	*1989*
REVENUES			
Product sales	$34,160	$ 4,871	$ 3,872
Revenue under contractual arrangements	18,497	25,947	19,421
Interest	9,958	4,061	4,873
	62,615	34,879	28,166
COSTS AND EXPENSES			
Cost of product sales	6,338	2,046	2,153
Research and development	29,430	23,199	18,889
Selling, general and administrative	25,740	14,540	6,188
Interest	219	1,956	3,467
Purchase of in-process research and development	—	—	7,266
	61,727	41,741	37,963
Loss from joint venture	(86)	(3,025)	(4,448)
Net income (loss)	$ 802	$ (9,887)	$ (14,245)
Net income (loss) applicable to common stock	$ 802	$ (10,337)	$ (15,445)
Net income (loss) per common share	$ 0.05	$ (1.10)	$ (1.99)
Number of shares used for per share amounts	16,443	9,377	7,747

See accompanying notes.

Consolidated Statements of Stockholders' Equity

(In thousands, except share data)

	Preferred Stock	*Common Stock*	*Accumulated Deficit*	*Total*
Balance, December 31, 1988	$ 19,964	$ 39,649	$ (11,388)	$ 48,225
Issuance of 90,241 shares of common stock upon the exercise of stock options	—	447	—	447
Net proceeds from issuance of warrants in connection with the Receptech units offering – 1989 portion	—	1,704	—	1,704
Net loss for the year ended December 31, 1989	—	—	(14,245)	(14,245)
Dividends paid on preferred stock, $60 per share	—	—	(1,200)	(1,200)
Balance, December 31, 1989	19,964	41,800	(26,833)	34,931
Conversion of preferred stock to 754,081 shares of common stock	(19,964)	19,964	—	—
Issuance of 187,829 shares of common stock upon the exercise of stock options and warrants	—	1,746	—	1,746
Net proceeds from issuance of warrants in connection with the Receptech units offering – 1990 portion	—	3,449	—	3,449
Conversion of 7½% subordinated debentures into 2,116,321 shares of common stock, net of conversion costs	—	39,433	—	39,433
Net proceeds from issuance of 1,725,000 shares of common stock	—	37,285	—	37,285
Net loss for the year ended December 31, 1990	—	—	(9,887)	(9,887)
Dividends paid on preferred stock, $30 per share	—	—	(450)	(450)
Balance, December 31, 1990	—	143,677	(37,170)	106,507
Issuance of 237,217 shares of common stock upon the exercise of stock options and warrants	—	2,869	—	2,869
Net proceeds from issuance of 2,000,000 shares of common stock	—	102,004	—	102,004
Net income for the year ended December 31, 1991	—	—	802	802
Balance, December 31, 1991	$ —	$ 248,550	$ (36,368)	$ 212,182

See accompanying notes.

Consolidated Statements of Cash Flows

(In thousands)

Year Ended December 31,	*1991*	*1990*	*1989*
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$ 802	$ (9,887)	$ (14,245)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation and amortization	4,272	3,322	2,825
Loss from joint venture	86	3,025	4,448
(Increase) decrease in trade and other receivables	(8,495)	1,826	(4,728)
Increase in inventories	(1,712)	(2,445)	(330)
(Increase) decrease in interest receivable from marketable securities	(814)	185	195
Increase in accounts payable, accrued liabilities and other current liabilities	1,172	338	2,809
Increase in other current assets	(370)	(614)	(33)
Net cash used in operating activities	(5,059)	(4,250)	(9,059)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	(37,752)	(9,136)	(2,550)
Purchases of property held for future development	(14,065)	—	—
Investment in joint venture	—	(3,195)	(1,663)
Proceeds from sales of marketable securities	175,922	51,921	49,500
Purchases of marketable securities	(248,487)	(53,493)	(37,840)
Patent costs and other	(173)	(512)	(679)
Net cash provided by (used in) investing activities	(124,555)	(14,415)	6,768
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issuance of common stock and warrants	104,873	42,480	2,151
Debenture conversion costs	—	(603)	—
Dividends paid on preferred stock	—	(450)	(1,200)
Construction loan proceeds	25,000	—	—
Principal payments under capitalized lease obligations	(2,112)	(1,697)	(1,138)
Net cash provided by (used in) financing activities	127,761	39,730	(187)
Net increase (decrease) in cash and cash equivalents	(1,853)	21,065	(2,478)
Cash and cash equivalents, beginning of year	24,315	3,250	5,728
Cash and cash equivalents, end of year	$ 22,462	$ 24,315	$ 3,250

See accompanying notes.

Notes to Consolidated Financial Statements

NOTE 1. ORGANIZATION AND DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

Immunex Corporation (the "Company") is a biopharmaceutical company focused on discovery, development, manufacture and marketing of human therapeutic products to treat immune system disorders.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Cash equivalents

Cash equivalents, valued at cost which approximates market, consist principally of money market accounts, certificates of deposit and short-term corporate obligations with purchased maturities of ninety days or less.

Marketable securities

Marketable securities consist primarily of corporate debt securities and U.S. Government notes, all of which mature within three years. Marketable securities are valued at the lower of cost or market.

Inventories

Inventories are stated at the lower of cost, using a weighted-average method, or market.

Depreciation and amortization

Depreciation of equipment is calculated using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements and equipment under capitalized leases are amortized over the lesser of the estimated useful life or the term of the lease. The costs of acquiring leasehold interests are amortized over the remaining term of the lease.

Other assets

The Company owns certain properties intended for the possible future expansion of corporate office, research and manufacturing facilities.

The Company seeks patent protection on processes and products in various countries. Patent application costs are capitalized and amortized over their estimated useful lives, not exceeding 17 years, on a straight-line basis from the date the related patents are issued.

Revenue

Product sales are recognized when the product is shipped. The Company performs ongoing credit evaluations of its customers and does not require collateral. The Company maintains an allowance for returns at a level which management believes is sufficient to cover estimated future returns. At December 31, 1991, the Company had allowances totalling $956,000 for discounts, returns and bad debts, and no allowances at December 31, 1990.

For agreements under which the Company is reimbursed based on its research and development costs, revenue is recognized when related expenses are incurred. Revenues received under licensing agreements are recognized when the agreement is signed or when relevant milestones are achieved. Payments received which are related to future performance are deferred and recognized as revenue when earned.

NOTE 1. ORGANIZATION AND DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and development expenses

Research and development expenses, which are charged to expense as incurred, include costs on projects covered by collaborative agreements and on projects for which the Company is fully funding the research. Research and development funding by a collaborative partner may be equal to, greater than or less than the actual cost incurred by the Company. Research and development expenses in excess of revenues on projects where there is a collaborative partner plus research and development expenses on projects where there is no collaborative partner totalled $20,057,000, $9,777,000 and $6,848,000 in 1991, 1990 and 1989, respectively.

Income taxes

The Company has adopted Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes".

Net income (loss) per common share

Net income or loss per common share is calculated by dividing net income or loss, after deducting applicable dividends on preferred stock, by the weighted average number of common shares and, if dilutive, all common stock equivalents outstanding during the period.

Reclassifications

Certain amounts in the December 31, 1990 and 1989 consolidated financial statements have been reclassified to conform to current year presentations.

NOTE 2. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment, at cost, at December 31, 1991 and 1990 follows (in thousands):

	1991	*1990*
Land	$ 3,330	$ 3,241
Equipment	30,950	17,969
Leasehold improvements	20,509	18,547
Construction-in-progress	32,148	6,228
	86,937	45,985
Less accumulated depreciation and amortization	13,820	9,673
Net property, plant and equipment	$ 73,117	$ 36,312

In 1991 and 1990, interest costs of $1,132,000 and $365,000, respectively were capitalized and added to the cost of property, plant and equipment.

NOTE 3. LONG-TERM DEBT AND OTHER OBLIGATIONS

At December 31, 1991, the Company had an unused, unsecured line-of-credit of $5 million expiring in July 1992. Interest on any borrowings under the line of credit is payable monthly at prime.

Long-term debt and other obligations consisted of the following at December 31, 1991 and 1990 (in thousands):

	1991	*1990*
Variable rate construction loan, due in quarterly installments from 1992 to 1995	$ 25,000	$ —
Capitalized lease obligations	6,061	8,173
Deferred state sales tax on manufacturing facility, due in annual installments from 1995 to 1999	2,167	—
	33,228	8,173
Less current portion	6,899	2,124
	$ 26,329	$ 6,049

The interest rate on the construction loan is based on the LIBOR, prime or CD rate, at the Company's option, with an average interest rate of 6.4% during 1991. The loan is secured by land, buildings under construction and equipment. In addition, the lender holds as collateral, marketable securities with an aggregate cost of approximately $10 million.

Equipment, principally laboratory equipment, includes $10,410,000 and $12,884,000 at December 31, 1991 and 1990, respectively, under capitalized lease arrangements. Accumulated amortization was $3,877,000 and $4,580,000 at December 31, 1991 and 1990, respectively. The Company did not enter into any capitalized leases during 1991. The amount of such obligations entered into in 1990 and 1989 was $3,458,000 and $4,334,000, respectively.

Annual maturities of all long-term debt, including capital lease obligations, in 1993 and the three subsequent years are as follows: $6,573,000, $6,626,000, $11,180,000 and $325,000, respectively.

Interest paid on borrowings, net of amount capitalized, was $219,000, $1,728,000 and $3,289,000 in 1991, 1990 and 1989, respectively.

NOTE 4. STOCKHOLDERS' EQUITY

Common Stock Warrants

In connection with the Receptech Corporation units offering (see Note 5) the Company issued 2,290,000 common stock warrants in exchange for the right to acquire all of the outstanding common stock of Receptech Corporation. Each warrant entitles the holder to purchase one share of the Company's common stock at an exercise price of $20.35 per share through January 1995. The warrants were valued at $5,152,500, which was added to common stock as payments were received from Receptech. There were 2,289,300 and 2,289,700 shares of common stock reserved for outstanding warrants at December 31, 1991 and 1990, respectively.

Stock Options

The Company has stock option plans which provide for the issuance of incentive and non-qualified stock options to employees, directors and certain outside consultants. There have been 2,800,000 shares of common stock reserved for the plans. Options are granted by a committee of the Board of Directors at the fair market value of the Company's stock at the date of grant. Each outstanding option has a term of ten years from the date of grant and becomes exercisable at a rate of 20% per year beginning one year from the date of grant.

Information with respect to the Company's stock option plans is as follows (in thousands, except per share amounts):

	Shares Subject to Option	*Price per Share*
Balance at December 31, 1988	1,131	$ .22 – 23.88
Granted	449	11.25 – 19.38
Exercised	(90)	.22 – 16.25
Cancelled	(93)	5.75 – 16.25
Balance at December 31, 1989	1,397	$ .22 – 23.88
Granted	468	15.75 – 38.50
Exercised	(187)	.22 – 18.88
Cancelled	(90)	10.00 – 30.50
Balance at December 31, 1990	1,588	$ .22 – 38.50
Granted	340	33.75 – 52.50
Exercised	(232)	.22 – 34.75
Cancelled	(106)	10.00 – 52.50
Balance at December 31, 1991	1,590	$ .22 – 52.50

Of the outstanding options at December 31, 1991, 601,000 were exercisable. At December 31, 1991, 462,000 shares were available for future grants.

NOTE 4. STOCKHOLDERS' EQUITY (CONTINUED)

Stockholder Rights Plan

In 1991 the Board of Directors of the Company adopted a Stockholder Rights Plan (the "Plan"). Under the Plan, stockholders received one right per share of common stock to purchase a fractional share of a new class of preferred stock ("Right"). With certain exceptions, if a person or group acquires 15 percent or more of the outstanding shares of the Company's common stock, the Rights will separate from the shares of common stock and become exercisable. Once the Rights are exercised, and in certain circumstances if additional conditions are met, the Plan allows holders of the Rights (other than the acquirer) to buy common stock in the Company or the acquirer at a substantial discount. The Rights will expire in ten years unless exercised by the holders or redeemed or exchanged by the Company.

Preferred Stock

In 1988, the Company sold 20,000 shares of Series A Cumulative Convertible Preferred Stock to Eastman Kodak Company ("Kodak") for $20 million. In 1990, the preferred stock was converted into 754,081 shares of common stock.

NOTE 5. RECEPTECH CORPORATION

In 1989, Receptech Corporation ("Receptech") was formed to accelerate the development of soluble cytokine receptor products licensed to Receptech by the Company (the "Products"). Under a contract with Receptech the Company has been conducting research, development and the initial phases of clinical testing of the Products. The Company is reimbursed for its direct and indirect costs associated with the research and development of the Products plus a general and administrative factor and a 10% management fee. Receptech is expected to deplete its funds in mid-1992. The Company has agreed, however, to continue the Receptech research and development through 1992 at the Company's cost, which is estimated to be $3.4 million. In 1991 and 1990, the Company recognized revenue under the contract of $6,366,000 and $7,694,000 relating to expenses totalling $6,765,000 and $7,496,000, respectively.

Under a purchase option agreement and license option agreements, the Company has rights to re-acquire part or all of the technology developed by Receptech. The purchase option is exercisable through January 31, 1993 at a total cost of $60 million. Beginning on February 1, 1993 the exercise price increases annually and expires on January 31, 1995 at a total payment price of $119 million. The Products being developed by Receptech have been divided into two separate development programs. The Company may license the products defined under either or both of these programs. The license options are exercisable through January 31, 1993 at an exercise price per development program of $29 million, plus ongoing royalty obligations. Beginning on February 1, 1993 each license option exercise price increases annually and expires on January 31, 1995 at an exercise price of $59 million per development program, plus ongoing royalty obligations. Payment of either option exercise price may be made in cash, the Company's common stock, or a combination of both.

NOTE 6. SIGNIFICANT CUSTOMERS

Contract manufacturing and other contract revenue from two major customers provided 10% or more of the Company's total revenue in 1991 and previous years. Revenues from a collaborative partner were 14%, 25% and 22% of the Company's total revenue in 1991, 1990 and 1989, respectively. Receptech provided 10% and 25% of the Company's total revenue in 1991 and 1990, respectively, and less than 10% in 1989. In years prior to 1991, the Company recognized significant revenues from several different research collaborators. However, the contribution to revenue from sales of the Company's first product, LEUKINE, has expanded the Company's revenue base such that these sources now represent less than 10% of total revenue.

NOTE 7. INCOME TAXES

In 1991, the Company's provision for income taxes of $310,000 was offset by the benefit from an operating loss carryforward. At December 31, 1991, the Company had an unused net operating tax loss carryforward of approximately $37 million and a carryforward of approximately $3 million for research and experimental credits. The carryforwards expire from 1996 through 2006. For financial reporting purposes, the net operating loss carryforward at December 31, 1991 approximated $34 million. The difference between the net operating loss carryforward for income tax purposes and financial reporting purposes was primarily attributable to differences in depreciation rates, the treatment of the purchase costs of in-process research and development, methods of recognizing revenue from the Receptech research collaboration and deductions related to stock option exercises.

NOTE 8. COMMITMENTS AND CONTINGENCIES

The Company leases office and laboratory facilities under certain noncancelable operating leases which expire through August 1996. These leases provide the Company with options to renew the leases at fair market rentals through August 2015.

Minimum rental commitments under noncancelable operating and capital leases at December 31, 1991 were as follows (in thousands):

Year Ended December 31,	*Operating*	*Capital*
1992	$ 2,155	$ 2,598
1993	2,198	2,087
1994	2,346	1,954
1995	1,725	384
1996	281	—
Thereafter	—	—
Total minimum lease payments	$ 8,705	7,023
Less amount representing interest		962
Present value of minimum capital lease payments		$ 6,061

Rental expenses on operating leases for the years ended December 31, 1991, 1990 and 1989 were $2,147,000 $1,642,000 and $1,295,000, respectively.

NOTE 8. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Company has commitments under various contracts and purchase agreements related to the construction of manufacturing facilities totalling approximately $13.9 million at December 31, 1991.

The Company has entered into various license agreements which require the Company to pay royalties based on a percentage of sales of products manufactured using licensed technology or sold under license.

In 1990, certain purchasers of the Company's securities filed suit against the Company and certain of its officers, asking unspecified damages. The Company and its officers are vigorously opposing the allegations in the suit and the suit is not expected to have a material impact on the financial statements.

In January 1992, the Company and Bristol-Myers Squibb Company ("Bristol-Myers Squibb") completed a strategic alliance agreement. Pursuant to the agreement the Company licensed foreign rights to PIXY321, a second generation colony stimulating factor product, to Bristol-Myers Squibb in exchange for exclusive U.S. marketing rights to two oncology products and co-promotion rights to five other products. In order to provide assurance to Bristol-Myers Squibb regarding the value of the PIXY321 rights, the Company agreed to provide, by issuing established dollar amounts of its common stock, additional consideration if certain triggering events occur. The amount of common stock issuable depends on the nature of the triggering events, but in no case will it exceed in the aggregate $50 million or 14.99% of the Company's common stock then outstanding.

NOTE 9. INVESTMENT IN JOINT VENTURE

The Company has been a partner in a joint venture with Kodak and its affiliate Sterling Winthrop, Inc. ("Sterling") since 1987, called Immunology Ventures (the "Joint Venture"), in which the Company and Kodak each have a 50% interest. The Joint Venture was formed to conduct research and development (under arrangements with the Company, Kodak, and Sterling) and manufacturing activities relating to certain human therapeutic drugs and other products.

In 1989, the Joint Venture distributed the commercialization rights to certain technology to the Company and Sterling in equal shares. In a related transaction, the Company acquired Sterling's share of the rights for $4,851,000. The cost of acquiring this in-process research and development was expensed in the fourth quarter of 1989.

In early 1991, the Company and Sterling agreed to discontinue partnership funding of the remaining projects in the Joint Venture.

NOTE 10. PURCHASE OF IN-PROCESS RESEARCH AND DEVELOPMENT

During 1989, the Company expensed the purchase of certain technology rights and in-process research and development from two collaborative partners. The Company first acquired the rights to certain cytokine receptor technology from Sterling for $4,851,000 (see Note 9).

The Company subsequently entered into an agreement with Behringwerke AG under which the Company was granted a license to comarket in the United States products resulting from the collaborative research effort between the two companies. The Company was required to pay an amount to Behringwerke's U.S. affiliate for the right to use its clinical research data compiled through 1989 in the Company's future product license applications. An expense of $2,415,000 was recorded in the fourth quarter of 1989 relative to this obligation, which was paid in 1990. In 1990 and thereafter, the Company and Behringwerke's U.S. affiliate are sharing equally clinical and regulatory costs related to the products under development.

Report of Ernst & Young, Independent Auditors

THE BOARD OF DIRECTORS AND STOCKHOLDERS
IMMUNEX CORPORATION

We have audited the accompanying consolidated balance sheets of Immunex Corporation at December 31, 1991 and 1990, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1991. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Immunex Corporation at December 31, 1991 and 1990, and the related consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1991 in conformity with generally accepted accounting principles.

Seattle, Washington
February 6, 1992

Ernst & Young

Historical Summary

	1991	*1990*	*1989*
Financial Position:			
(in thousands, except equity/total assets)			
Total assets	$ 254,023	$ 121,088	$ 87,727
Working capital	$ 148,813	$ 74,189	$ 50,624
Property, plant & equipment	$ 73,117	$ 36,312	$ 25,978
Long-term debt, including current portion	$ 33,228	$ 8,173	$ 46,413
Stockholders' equity	$ 212,182	$ 106,507	$ 34,931
Equity/total assets	84%	88%	40%
Operating Results:			
(in thousands)			
Product sales*	$ 34,160	$ 4,871	$ 3,872
Total revenues	$ 62,615	$ 34,879	$ 28,166
R&D expenses	$ 29,430	$ 23,199	$ 18,889
Total expenses	$ 61,727	$ 41,741	$ 37,963
Net income (loss)	$ 802	$ (9,887)	$ (14,245)
Per Common Share:			
Net income (loss)	$ 0.05	$ (1.10)	$ (1.99)
Book value	$ 14.33	$ 8.47	$ 4.49
Statistics:			
Total employment	527	434	314
Ph.Ds/M.D.s	69	64	57
Total square footage (in thousands)**	174	167	130
Number scientific publications	91	99	55
Number products in clinical study	7	7	6
Number patents issued	8	5	7
Number registered shareholders	1,816	1,632	1,489
Common shares outstanding (in thousands)	14,809	12,571	7,788

* *Product sales separated from revenue under collaborative agreements after 1985*
** *Laboratory, manufacturing and office space*
*** *IPO 7/83*

1988	*1987*	*1986*	*1985*	*1984*	*1983*	*1982*
$ 95,177	$ 73,641	$ 72,662	$ 12,708	$ 17,293	$ 18,660	$ 4,005
$ 63,157	$ 57,444	$ 60,883	$ 7,265	$ 11,234	$ 15,774	$ 1,131
$ 21,968	$ 8,527	$ 6,944	$ 4,451	$ 4,990	$ 1,981	$ 1,814
$ 43,216	$ 42,596	$ 42,186	$ 1,416	$ 1,766	$ 584	$ 843
$ 48,226	$ 28,265	$ 28,259	$ 10,879	$ 15,145	$ 17,600	$ 2,999
51%	38%	39%	86%	88%	94%	75%
$ 1,766	$ 1,313	$ 390	$ —	$ —	$ —	$ —
$ 22,234	$ 15,704	$ 9,482	$ 3,227	$ 3,471	$ 1,713	$ 1,095
$ 13,732	$ 9,472	$ 7,771	$ 6,486	$ 4,788	$ 2,561	$ 1,438
$ 21,793	$ 15,483	$ 10,897	$ 7,669	$ 5,936	$ 3,570	$ 1,982
$ 657	$ (175)	$ (1,415)	$ (4,442)	$ (2,464)	$ (1,857)	$ (887)
$ (0.01)	$ (0.02)	$ (0.20)	$ (0.75)	$ (0.42)	$ (0.48)	$ (0.44)
$ 6.26	$ 3.67	$ 3.70	$ 1.82	$ 2.56	$ 2.99	$ 1.50
261	185	146	113	99	57	40
48	36	34	31	28	16	13
114	82	65	45	45	15	15
52	53	35	28	24	25	5
6	3	3	1	1	—	—
1	2	2	1	2	5	—
1,474	1,424	1,565	943	509	400	***
7,698	7,684	7,628	5,982	5,915	5,885	2,000

Responsibility for Financial Statements

Immunex management is responsible for the preparation of the consolidated financial statements and related information contained in this annual report. The financial statements include certain estimates and judgments which management considers reasonable based on currently available information and existing conditions. Management believes the consolidated financial statements fairly reflect the Company's financial position and results of operations in accordance with generally accepted accounting principles.

The Company has a system of accounting and internal controls designed to provide reasonable assurance that assets are protected from improper use and that the accounting records provide a reliable basis for the preparation of financial statements. The system is periodically reviewed and modified to address changing conditions and recommendations made by the independent auditors. Management believes that the accounting and control systems provide reasonable assurance that the resulting financial information is reliable.

The Board of Directors, through the activities of its Audit Committee, which consists of outside directors, participates in the process of reporting financial information. The Committee meets periodically with financial management and the independent auditors to review matters relating to accounting, internal controls, auditing and financial reporting. The independent auditors have met with members of the Audit Committee to discuss the results of their audit, and have been given an opportunity in the absence of management to, among other things, present their opinions with respect to the adequacy of the Company's internal controls and the quality of its financial reporting.

Douglas G. Southern
Senior Vice President, Treasurer and Chief Financial Officer

Immunex Corporation Directors

Stephen A. Duzan
Chairman, Chief Executive Officer
Immunex Corporation

Steven Gillis, Ph.D.
Executive Vice President
Immunex Corporation
President, Chief Executive Officer
Immunex Research and Development Corporation

Michael L. Kranda
President, Chief Operating Officer
Immunex Corporation

Thomas J. Cable
General Partner
Cable and Howse Ventures, Inc.
(venture capital firm)

Kirby L. Cramer
Chairman Emeritus
Hazleton Laboratories Corporation

C. Richard Kramlich
General Partner
New Enterprise Associates
(venture capital firm)

Richard A. Merrill
Daniel Caplin Professor
University of Virginia School of Law

Physicians Advisory Board Members

Frederick R. Appelbaum, M.D.
Professor of Medicine
University of Washington School of Medicine
Member, Fred Hutchinson Cancer Research Center
Seattle, Washington

James O. Armitage, M.D.
Professor and Chairman
Department of Internal Medicine
University of Nebraska Medical Center
Omaha, Nebraska

George P. Canellos, M.D.
William Rosenberg Professor of Medicine
Harvard Medical School
Chief, Division of Clinical Oncology
Dana-Farber Cancer Institute
Boston, Massachusetts

Lloyd K. Everson, M.D.
Director, Indiana Regional Cancer Center
Community Hospitals Indianapolis
Indianapolis, Indiana

Jordan U. Gutterman, M.D.
Professor and Chairman
Department of Clinical Immunology and Biological Therapy
The University of Texas
MD Anderson Cancer Center
Houston, Texas

John Mendelsohn, M.D.
Professor of Medicine
Cornell University Medical College
Chairman, Department of Medicine
Winthrop Rockefeller Chair in Medical Oncology
Memorial Sloan-Kettering Cancer Center
New York, New York

David G. Poplack, M.D.
Bethesda, Maryland

David Prager, M.D.
Hematologist/Oncologist
Allentown, Pennsylvania

Frank J. Rauscher, Jr., Ph.D.
Executive Director
TIMA, Inc.
Stamford, Connecticut

Jim Johnson – (1988)
Five years as controller of Safeco Properties, commercial real estate development subisidiary of Safeco Corporation. Prior four years in public accounting; C.P.A.

Michael Kranda – (1985)
Chief operating officer since 1988, elected president in 1990 and director in 1991. Also served as president of Immunex's manufacturing subsidiary. M.B.A. in Finance, University of Washington, 1984.

Michael Mumford – (1987)
Six years with Genentech, Inc. in process development and manufacturing. M.S., Industrial Microbiology, University of Oklahoma, 1981.

Peggy Phillips – (1986)
Ten years with Miles Laboratories, ultimately directing product development in allergy research. M.S. in Microbiology, University of Idaho, 1976.

Jason Rubin – (1990)
Former V.P. and director of biotechnology at Hill and Knowlton, Inc. an international public relations firm. M.S. in Management from Sloan School at MIT, 1984.

Helmut Sassenfeld – (1986)
Eight years in protein chemistry at Searle Research and Development, High Wycombe, U.K. Ph.D. in Biochemistry from University of Liverpool, 1986.

Doug Southern – (1990)
CFO of Pay 'N Pak Stores, Inc. since 1985; formerly a partner with Arthur Young (now Ernst & Young) with a total of 16 years in public accounting. M.A. in Accounting, University of Southern California, 1965.

John Spears – (1989)
Eight years with Bristol-Myers in marketing, sales and new business development. Total of eighteen years in pharmaceutical development and marketing. M.B.A. in Marketing from Farleigh Dickinson University, 1980. *(not shown)*

Dave Urdal – (1982)
Appointed V.P., director of development in 1988, and elected president of the manufacturing subsidiary in 1990. Post-doctoral studies as Damon Runyan Fellow in immunology at Fred Hutchinson Cancer Research Center. Ph.D. in Biochemical Oncology, University of Washington, 1980.

Jim Watson –
(1991 special appointment)
Heads the Department of Molecular Medicine, University of Auckland, New Zealand. Ph.D. in Microbiology, University of Auckland, 1967.

Doug Williams — (1988)
Former assistant professor Hematology/Oncology section at the Indiana University School of Medicine. Ph.D. in Physiology from Roswell Park Memorial Institute, 1984.

Michael Kranda, Michael Mumford, Peggy Phillips, Jason Rubin, Helmut Sassenfeld, Doug Southern, Dave Urdal, Jim Watson, Doug Williams.

OFFICERS & MANAGEMENT

Immunex managers pictured below are in alphabetical order, left to right. Date in parentheses indicates when each was hired by Immunex.

Paul Baker – (1983)
Ph.D. in Virology, University of Connecticut, 1976. Assistant professor of immunology, Department of Veterinary Science at Montana State University following post-doctoral studies at Dartmouth Medical School.

Dave Cosman – (1983)
Ph.D. in Microbiology, Pennsylvania State University Medical Center, 1980. Post-doctoral studies at the National Cancer Institute as a Fogarty Fellow.

Steve Duzan – (Co-founder)
CEO and board member since 1981, elected Chairman of the Board in 1988. Chairman, Industrial Biotechnology Association, 1992; Chair, Washington State Biotechnology Targeted Sector Committee, 1989-91.

Bob Dziurzynski – (1988)
Managed clinical and regulatory affairs for Genetic Systems and C.R. Bard following thirteen years with Ortho Diagnostic Systems division of Johnson & Johnson; B.A. Rutgers, 1976. Regulatory Affairs Certified.

Susan Erb – (1982)
Appointed vice president of facilities and materials in 1990; former researcher at Roswell Park Memorial Institute, Fred Hutchinson Cancer Research Center and the University of Washington. B.S. Chemistry, Arizona State University, 1972.

John Geigert – (1991)
Eighteen years with Cetus Corporation, ultimately as director of quality control. Ph.D. in Chemistry, Colorado State University, 1973.

Steve Gillis – (Co-founder)
Executive vice president, director of R&D and a director since 1981. Founded Immunex while with the Program of Basic Immunology at the Fred Hutchinson Cancer Research Center. Ph.D. in Biological Sciences, Dartmouth College, 1978.

Scott Hallquist – (1986)
Elected senior vice president October 1990. Four years with E.I. du Pont de Nemours and Company as patent counsel. M.B.A. and J.D. degrees from the University of North Carolina, 1981.

John Holcenberg – (1991)
Professor of Pediatrics and Biochemistry, University of Southern California School of Medicine. Former member of FDA Oncology Drug Advisory Committee and recipient of Burroughs-Wellcome Scholar Award in Clinical Pharmacology. M.D. from University of Washington, 1961.

Paul Baker, Dave Cosman, Bob Dziurzynski, Steve Duzan, Susan Erb, John Geigert, Steve Gillis, Scott Hallquist, John Holcenberg, Jim Johnson,

Immunex Corporation Officers

Stephen A. Duzan
Chairman, Chief Executive Officer

Michael L. Kranda
President, Chief Operating Officer

Steven Gillis, Ph.D.
Executive Vice President

Scott G. Hallquist
Senior Vice President
General Counsel, Secretary

Douglas G. Southern
Senior Vice President, Treasurer,
Chief Financial Officer

John A. Spears
Senior Vice President
Sales and Marketing

Bogdan Dziurzynski
Vice President, Regulatory Affairs
and Quality Assurance

Susan K. Erb
Vice President, Facilities
and Materials

James A. Johnson
Vice President, Finance

Jason S. Rubin
Vice President, Communications

Immunex Research and Development Corporation

Steven Gillis, Ph.D.
President, Chief Executive Officer

Peggy V. Phillips
Senior Vice President,
Chief Operating Officer

Paul E. Baker, Ph.D.
Vice President
Director, Immunology

David J. Cosman, Ph.D.
Vice President
Director, Molecular Biology

John S. Holcenberg, M.D.
Vice President
Director, Clinical Affairs

Douglas E. Williams, Ph.D.
Vice President
Director, Experimental Hematology

Immunex Manufacturing Corporation

David L. Urdal, Ph.D.
President

John Geigert, Ph.D.
Vice President, Quality Control

Michael B. Mumford
Vice President, Manufacturing

Helmut M. Sassenfeld, Ph.D.
Vice President, Process Development

Credits:

Copy:
Sam Angeloff

Design:
TeamDesign

Major photography:
Darrell Peterson

Other photography:
Fred Housel
Page 19, new facility

John E. Straneva, Ph.D.
Experimental Hematology,
v.14, p. 919, 1986
Used with permission of Springer-Verlag, New York, Inc.
Page 15, platelets

Illustration:
Proceedings of the National Academy of Sciences, USA v. 88, p. 5810, July 1991
Used with permission of Publisher
Page 15, PIXY321 illustration

Corporate Headquarters

Immunex Corporation
51 University Street
Seattle, WA 98101
206/587-0430

Manufacturing and Development Center

2311 220th SE
Bothell, WA 98021
206/487-4300

Auditors

Ernst & Young
999 Third Avenue, Suite 3500
Seattle, WA 98104

General Counsel

Perkins Coie
1201 Third Avenue
Seattle, WA 98101

Stockholder Inquiries

Communications concerning transfer requirements, lost certificates and changes of address should be directed to the Transfer Agent. Inquiries regarding the company and its activities may be directed to the Director, Communications at the Corporate Headquarters.

Annual Meeting of Stockholders

Thursday, April 30, 1992
9:00am
Four Seasons Olympic Hotel
Spanish Ballroom
411 University Street
Seattle, WA 98101

SEC Form 10-K

A copy of the company's annual report to the Securities and Exchange Commission on Form 10-K is available without charge upon written request to the Director, Communications at the Corporate Headquarters.

Stockholders of Record

As of December 31, 1991, there were 1,816 registered stockholders of record of Immunex common stock.

Transfer Agent and Registrar

Common Stock and Warrants:
Manufacturers Hanover Trust Company of California
50 California Street, 10th Floor
San Francisco, CA 94111

NASDAQ Market Makers

(as of 12/31/91)

Alex. Brown & Sons Inc.
Bear, Stearns & Co.
Cowen & Co.
Dain, Bosworth Inc.
Dean Witter Reynolds, Inc.
First Boston Corporation
Goldman, Sachs & Co.
Hambrecht & Quist, Inc.
Herzog, Heine, Geduld, Inc.
Kidder, Peabody & Co. Inc.
Mayer & Schweitzer, Inc.
Merrill Lynch, Pierce, Fenner & Smith, Inc.
Montgomery Securities Inc.
Morgan Stanley & Co., Inc.
Nash Weiss & Co. Division of Shatkin Investment Co.
PaineWebber, Inc.
Prudential Securities, Inc.
Ragen McKenzie, Inc.
Robertson, Stephens & Co.
Shearson Lehman Brothers Inc.
Sherwood Securities Corp.
Smith Barney & Harris Upham
Troster Singer Corporation
Wedbush Morgan Securities Inc.
Weeden & Co. Inc.

Price Range of Common Stock

	1991		*1990*	
	High	*Low*	*High*	*Low*
4th Quarter	59 1/4	39 3/4	38 3/4	24
3rd Quarter	51	41 3/4	35	21 3/4
2nd Quarter	57	37 3/4	30	15 1/2
1st Quarter	57 3/4	33 3/4	21 1/4	16 3/4

The common stock of the Company is traded on the NASDAQ National Market System under the symbol IMNX. No dividends have been paid on the common stock.

Immunex Corporation

51 University Street

Seattle, Washington 98101

Recycled
Recyclable