UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(X) Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 1995

( ) Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _______ to _______

Commission File Number: 0-13976

AKORN, INC.
(Exact Name of Registrant as Specified in its Charter)

LOUISIANA	72-0717400
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

100 Akorn Drive Abita Springs, Louisiana	70420
(Address of Principal Executive Offices)	(Zip Code)

(504) 893-9300
(Issuer's telephone number)

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

At May 5, 1995 there were 14,885,217 shares of common stock, no par value, outstanding.

Transitional Small Business Disclosure Format. Yes No X

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

The following financial statements are provided on the page numbers indicated below:

Item 2. Management's Discussion and Analysis or Plan of Operation

The information called for by this item is provided on page 9.

AKORN, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

	March 31, 1995	June 30, 1994<FN1>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 726,942	$ 1,914,735
Short-term investments	1,412,249	1,735,040
Accounts receivable (less allowance for bad debts of $238,559 and $247,296 at March 31 and June 30, respectively)	4,594,638	4,793,522
Inventory	6,477,659	4,721,637
Deferred income taxes	546,822	550,715
Prepaid expenses and other assets	715,914	455,873
TOTAL CURRENT ASSETS	14,474,224	14,171,522
PROPERTY, PLANT AND EQUIPMENT	12,069,990	11,752,313
Accumulated depreciation	(6,621,625)	(5,982,874)
	5,448,365	5,769,439
Construction in progress	4,209,349	479,883
	9,657,714	6,249,322

OTHER ASSETS	1,035,455	800,367
TOTAL ASSETS	$ 25,167,393	$21,221,211

	March 31, 1995	June 30, 1994<FN1>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	$ 343,000	$ -
Current installments of long-term debt and capital lease obligations	383,708	119,002
Accounts payable	1,844,534	2,516,629
Accrued reorganization costs	505,908	933,836
Income taxes payable	353,524	711,146
Accrued expenses and other liabilities	2,616,480	2,270,101
TOTAL CURRENT LIABILITIES	6,047,154	6,550,714
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS	3,513,222	798,896
PRE-FUNDED DEVELOPMENT COSTS	384,501	900,000
OTHER LONG-TERM LIABILITIES	1,010,104	628,545
SHAREHOLDERS' EQUITY		
Common stock, no par value--authorized 20,000,000 shares; issued 15,115,673 shares at March 31, and June 30; outstanding 14,885,217 and 14,798,217 shares at March 31 and June 30, respectively	13,701,845	13,701,845
Treasury stock, at cost--230,456 and 317,456 shares at March 31 and June 30, respectively	(329,939)	(503,939)
Retained earnings (deficit)	840,506	(822,806)
Unrealized loss on noncurrent marketable equity securities	-	(32,044)
TOTAL SHAREHOLDERS' EQUITY	14,212,412	12,343,056
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 25,167,393	$21,221,211

<FN1> Condensed from audited consolidated financial statements.
See notes to condensed consolidated financial statements.

AKORN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

	Three months ended March 31, 1995	Three months ended March 31, 1994	Nine months ended March 31, 1995	Nine months ended March 31, 1994
Net sales	$ 7,502,580	$ 7,268,144	$ 24,427,958	$ 19,771,845
Cost of sales	4,791,289	4,238,393	14,484,222	11,686,927
GROSS PROFIT	2,711,291	3,029,751	9,943,736	8,084,918
Selling, general and administrative expenses	1,936,062	2,008,526	6,654,320	5,902,514
Research and development	211,254	252,796	561,618	619,230
	2,147,316	2,261,322	7,215,938	6,521,744
OPERATING INCOME	563,975	768,429	2,727,798	1,563,174
Interest expense	-	(17,809)	-	(131,986)
Interest and other income (expense)	(237,834)	27,682	(186,176)	78,303
	(237,834)	9,873	(186,176)	(53,683)
INCOME BEFORE INCOME TAXES	326,141	778,302	2,541,622	1,509,491
Income taxes	97,842	151,600	922,206	286,870
NET INCOME	$ 228,299	$ 626,702	$ 1,619,416	$ 1,222,621
Per Share:				
NET INCOME	$ .01	$ .04	$ .10	$ .08
WEIGHTED AVERAGE SHARES OUTSTANDING	15,519,988	15,548,388	15,447,119	15,318,378

See notes to condensed consolidated financial statements.

AKORN, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(UNAUDITED)

	Common Stock Shares Outstanding	Common Stock Amount	Retained Earnings (Deficit)	Treasury Stock	Unrealized Loss on Noncurrent Marketable Equity Securities	Total
Nine Months Ended March 31, 1995:						
Balances at July 1, 1994	14,798,217	$ 13,701,845	$ (822,806)	$ (503,939)	$ (32,044)	$ 12,343,056
Net income for the nine months ended March 31			1,619,416			1,619,416
Additional unrealized loss on noncurrent marketable equity securities					(275,661)	(275,661)
Write-down of noncurrent marketable equity securities to market						

value					307,705	307,705
Exercise of stock options	34,917		8,824	69,834		78,658
Shares issued from treasury in connection with the Company's Employee Stock Purchase Plan	52,083		35,072	104,166		139,238
Balances at March 31, 1995	14,885,217	$ 13,701,845	$ 840,506	$ (329,939)	$ -	$ 14,212,412
Nine Months Ended March 31, 1994:						
Balances at July 1, 1993	12,781,317	$ 10,701,845	$ (3,561,768)	$ (641,573)	$ -	$ 6,498,504
Net income for the nine months ended March 31			1,222,621			1,222,621
Exercise of stock options and warrants	2,010,000	3,000,000	(700)	20,000		3,019,300
Shares issued from treasury in connection with the Company's Employee Stock Purchase Plan	43,509		13,760	87,018		100,778
Balances at March 31, 1994	14,834,826	$ 13,701,845	$ (2,326,087)	$ (534,555)	$ -	$ 10,841,203

See notes to condensed consolidated financial statements.

AKORN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Nine Months Ended March 31, 1995	1994
OPERATING ACTIVITIES		
Net income	$ 1,619,416	$ 1,222,621
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	731,077	500,430
Realized loss on noncurrent marketable equity securities	307,705	-
Changes in operating assets and liabilities:		
Inventory	(1,756,022)	(538,806)
Other	(1,513,317)	360,110
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(611,141)	1,544,355
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(4,047,143)	(809,552)
Net maturities (purchases) of investments	322,791	(1,384,878)
Product licensing costs	(376,729)	(363,650)
NET CASH USED IN INVESTING ACTIVITIES	(4,101,081)	(2,558,080)
FINANCING ACTIVITIES		
Repayment of long-term debt	(905,341)	(68,064)
Proceeds from sale of stock	217,896	1,520,078
Proceeds from issuance of long-term debt	3,900,000	-
Pre-funded development costs	(15,499)	-
Reductions in capital lease obligations	(15,627)	(462,346)
Short-term borrowings	343,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,524,429	989,668
DECREASE IN CASH AND CASH EQUIVALENTS	(1,187,793)	(24,057)
Cash and cash equivalents at beginning of period	1,914,735	957,108
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 726,942	$ 933,051
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid, net of amount capitalized	$ -	$ 172,430

Income taxes paid	$ 1,092,750	$ -
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of debt to common stock	$ -	$ 1,600,000

See notes to condensed consolidated financial statements.

AKORN, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Akorn, Inc. (the "Company") and its wholly owned subsidiaries, Spectrum Scientific Pharmaceuticals, Inc. , Walnut Pharmaceuticals, Inc. and Akorn Manufacturing, Inc., formerly Taylor Pharmacal Company. Intercompany transactions and balances have been eliminated in consolidation.

These financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine-month period ended March 31, 1995 are not necessarily indicative of the results that may be expected for the year ending June 30, 1995. For further information, refer to the consolidated financial statements and footnotes for the year ended June 30, 1994, included in the Company's Annual Report on Form 10-KSB.

NOTE B - INCOME TAXES

The Internal Revenue Service (IRS) is currently examining the Company's federal income tax returns for 1988 through 1993. Based on discussions with Company management, it appears that the IRS may seek adjustments to these returns which could result in additional interest and income tax expense of $300,000 to $500,000. The Company has adequate reserves such that if proposed and sustained, these adjustments would not have a material impact on the consolidated financial statements.

NOTE C - EARNINGS PER SHARE

Earnings per share are based upon the weighted average number of common shares outstanding. The computation of the weighted average number of shares outstanding for all periods presented includes the dilutive effect of stock options and warrants using the treasury stock method.

NOTE D - INVENTORY

The components of inventory are as follows:

	March 31, 1995	June 30, 1994

Finished goods	$ 4,245,999	$ 2,553,051
Work in process	976,450	883,152
Raw materials and supplies	1,255,210	1,285,434
	$ 6,477,659	$ 4,721,637

The inventories are reported net of reserves for unsaleable items of $286,653 and $282,531 as of March 31, 1995 and June 30, 1994, respectively.

NOTE E - INVESTMENTS

The Company adopted Statement of Financial Standards No. 115 (SFAS 115), "Accounting for Certain Investments in Debt and Equity Securities" effective July 1, 1994. This Statement requires certain securities to be classified into one of three reporting categories (held-to-maturity, available-for-sale or trading). The Company has completed a review of its securities relative to SFAS 115 and has classified its short-term investments as held-to-maturity. Therefore, in accordance with SFAS 115, these investments are being reported at amortized cost. The Company has defined its noncurrent investments as available-for-sale, requiring that they be carried at fair value with any unrealized gain or loss reflected as a component of shareholders' equity.

At March 31, 1995, the cost of the Company's noncurrent marketable equity securities exceeded the market value by $307,705. Given the significant decline in market value since June 30, 1994, and Management's assessment that a significant reversal was not imminent, the loss was determined to be permanent. Therefore, the unrealized loss previously charged to shareholders' equity was reversed, and the Company recorded a realized loss to recognize the decline in value. This loss is included in interest and other income (expense) in the 1995 statements of income.

NOTE F - LONG TERM DEBT

On September 30, 1994, the Company finalized its loan agreement with a commercial bank to obtain $6.3 million of credit financing. Under the terms of the agreement, the Company will receive financing under a three-part credit facility: (1) $3.5 million Revolver/Term construction loan, (2) $1.3 million Term loan, and (3) $1.5 million Line of Credit. As of March 31, 1995, the Company had received $1.3 million in financing under its Term loan and advances of $2.6 million under its Revolver/Term construction loan. In addition, $343,000 was borrowed under the Line of Credit as of March 31, 1995. The Company is utilizing the monies advanced under its Revolver/Term construction loan to fund the expansion of its manufacturing facilities in Decatur, Illinois. The $1.3 million Term loan was used for refinancing approximately $900,000 in existing debt and also to refinance the early payout of a capital lease on the Decatur manufacturing facility. Interest incurred during the construction period is being capitalized as part of the cost of the expansion project. During the nine months and quarter ended March 31, 1995, the Company capitalized $179,499 and $135,774, respectively, in interest costs.

NOTE G - LITIGATION

The Company is involved in various litigation and claims arising in the normal course of business. The Company's management believes that any liability the Company may have in these matters would not have a material effect on the consolidated financial statements.

NOTE H - CHANGE IN ACCOUNTING ESTIMATE

During the quarter ended March 31, 1995, an evaluation by the Company resulted in a change in the estimated liability related to aged customer credits. This change resulted in a reduction of selling general and administrative expenses of approximately $330,000 ($231,000 or 1 cent per share, net of tax).

AKORN, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OR PLAN OF OPERATION

RESULTS OF OPERATIONS

Net Sales
The Company experienced nominal sales growth of 3% in the quarter ended March 31, 1995 compared to the same period in 1994, with sales of $7.5 million versus $7.3 million. For the first nine months of fiscal 1995, sales of $24.4 million were 24% higher than the comparable fiscal 1994 amount of $19.8 million.

The decline in sales growth for the third quarter as compared to the first six months of fiscal 1995 is due to several factors. First, there was the anticipated loss of AK-Con-A, Akorn's leading allergy product. As previously announced, AK-Con-A was recently converted to over-the-counter (OTC) from prescription status by the Food and Drug Administration (FDA). Currently, the Company is awaiting approval to begin marketing this product under its new status, which presently is anticipated for some time in fiscal 1996.

Upon receiving FDA approval, the new OTC version will be marketed through a joint venture, which should restore profits on the product to previous levels. Sales of AK-Con-A, which continued through October 1994, were approximately $2 million for fiscal 1995. Until approval of the OTC version is obtained and marketing through the joint venture commences, the loss of AK-Con-A will continue to have an effect on sales growth comparisons.

Second, sales and earnings were also affected by the temporary shutdown of Akorn's Decatur, Illinois manufacturing facility as required by the previously announced $4.5 million expansion project. The shutdown was about a week longer than originally anticipated, affecting both sales and overhead absorption for the quarter. The facilities returned to full production in January 1995, at which time the effect of the shutdown ended.

Third, sales and earnings during the quarter were hurt by continued cost increases implemented by our primary suppliers of private-labeled products. These suppliers are also Akorn's primary competitors in the generic market place, and this has made Akorn substantially less competitive. In the short-term, the Company is combating higher product costs by sourcing from alternative non-competing suppliers under more favorable agreements. Longer-term, the Company's goal to manufacture all of its products in-house will eliminate reliance on other manufacturers and make Akorn more competitive.

Gross Profit
Consolidated gross profit declined 11% to $2.7 million in the quarter ended March 31, 1995 compared to $3.0 million for the same period of the previous year, with gross margins declining six percentage points. For the first nine months of fiscal 1995, gross profit of $9.9 million was 23% higher than the comparable fiscal 1994 amount of $8.1 million, while gross margins remained stable.

The loss of higher-margin AK-Con-A sales, decreased overhead absorption in manufacturing and higher product costs imposed by suppliers were the primary reasons for the decline in gross profit and margins for the quarter. The current quarter effect from the shutdown of the Decatur facilities will not continue. However, gross margins are expected to remain lower than those experienced in the first half of fiscal 1995 due to the loss of AK-Con-A and increased competition from our suppliers.

Selling, General and Administrative Expenses

Selling, general and administrative (S,G&A) expenses declined 4% during the quarter ended March 31, 1995, as compared to the same period in 1994. For the first nine months of fiscal 1995, S,G&A expenses were 13% higher than the comparable period in fiscal 1994. During the quarter ended March 31, 1995, the Company, based on evaluations made by management, changed the estimated liability related to aged customer credits. This resulted in a reduction in S,G&A expenses of approximately $330,000. Without this change in estimate, the Company would have realized S,G&A expenses of approximately $2.3 million or 13% more than the comparable period in fiscal 1994.

In response to a slowing in sales growth during the quarter ended March 31, 1995, the Company took steps to eliminate approximately $1 million to $1.5 million of S,G&A and other manufacturing operating expenses on an annualized basis. The future reductions, which were accomplished primarily through downsizing the workforce, will be somewhat offset by increases in depreciation and interest expense associated with the Company's expanded manufacturing facilities. During the quarter, approximately $100,000 of nonrecurring severance costs were recognized in connection with the downsizing.

The percentage of S,G&A expenses to sales, excluding the effects of the change in estimate and severance payments noted above, remained relatively stable during the quarter and nine months of fiscal 1995 as compared to the prior year. The Company anticipates that the percentage of S,G&A to sales will decline as a result of the reductions made in the third quarter. The Company continues to monitor the required level of S,G&A expenses in relation to sales performance.

Research and Development

Research and development expense remained relatively stable for the quarter and first nine months of fiscal 1995 as the Company's R & D group continued to pursue Abbreviated New Drug Application (ANDA) approvals on new products.
R & D activities continue to be focused also on the transfer of ANDA approvals from the Company's former manufacturing facilities in California to its manufacturing facilities in Decatur, Illinois ("site transfers"). The cost of these site transfers have been previously accrued and do not have an effect on R & D expense.

The Company also has begun the development of a non-steroidal anti-inflammatory drug for ophthalmic use licensed from Pfizer, Inc. (Pfizer). It is anticipated that the majority of these development costs, which are expected to be funded substantially by monies obtained from Pfizer, will be incurred over the next 18 months. Based on the current mix of products in the Company's R&D pipeline, management expects fiscal 1995 R&D expenses to be comparable to fiscal 1994 amounts and expects an increase in R&D expenses for fiscal 1996.

Interest and Other Income/Expense

Interest costs incurred during the quarter and nine-month period ended March 31, 1995 have been capitalized as part of the cost of construction related to the Company's expansion project at its Decatur manufacturing facilities. The Company will continue to capitalize interest expense until the newly constructed clean room and other expansion related items are fully validated and operational. This is currently expected to be completed in the fourth quarter of fiscal 1995. On September 30, 1994 the Company signed a $6.3 million financing package with a commercial bank to finance the construction and provide working capital funding. As a result, interest expense will increase significantly in fiscal

1996.

During the quarter ended March 31, 1995, the Company determined that a $308,000 decline in the fair market value of an equity investment was other than temporary. The determination was based on the significant deterioration in value since June 30, 1994 and the current evaluation that a price recovery was not imminent.

The original investment, in the amount of $350,000, had been made in a business from which the Company was considering licensing technology for ophthalmic use.

This loss resulted in the Company reporting net interest and other expense of $238,000 for the quarter ended March 31, 1995 compared to net interest and other income of $10,000 for the comparable period in fiscal 1994. This loss also resulted in net interest and other expense of $186,000 for the nine months ended March 31, 1995 compared to net expense of $54,000 in the comparable prior year period. Net interest income increased in the fiscal 1995 periods as a result of increases in funds available for investment and increases in interest rates on short-term securities.

Income Taxes

The effective tax rates for the quarters ended March 31, 1995 and 1994 were 30.0% and 19.5%, respectively. For the first nine months of fiscal 1995 and 1994, the effective tax rates were 36.3% and 19.0%, respectively.

The increased effective tax rate for fiscal 1995 is attributable to the lack of available net operating loss carryforwards, the benefits of which were utilized to reduce income tax expense in 1994. The decline in the effective rate for the quarter ended March 31, 1995 as compared to the effective rate for the nine months then ended reflects changes associated with lower anticipated income levels for the fiscal year and minor adjustments related to filed tax returns.

Net Income

Net income for the quarter ended March 31, 1995 declined to $228,000 or 1 cent per share compared to the prior year amount of $627,000 or 4 cents per share, primarily as a result of the factors noted above coupled with higher income tax rates. Net income for the first nine months of fiscal 1995 of $1.6 million or 10 cents per share was 32% greater than the comparable prior year amount of $1.2 million or 8 cents per share. This increase for the nine-month period resulted primarily from the growth experienced in the first six months of fiscal 1996 associated with the Company's temporary selling advantage for its allergy product line. Weighted average shares used in the calculation of per share amounts were relatively unchanged from year to year.

Financial Condition and Liquidity

The net cash used in operating activities for the nine months ended March 31, 1995 was $611,000 compared to net cash provided of approximately $1.5 million for the corresponding period in 1994. While the Company's profitability has increased operating cash flows in the first nine months of fiscal 1995, significant investments in inventory were made as a result of new product introductions and to meet minimum purchasing requirements on some supply contracts. This increase in inventory is not expected to continue for the remainder of fiscal 1995.

In addition to the inventory build up, final estimated tax payments for the fiscal year-ended June 30, 1994 were made during the first quarter of fiscal 1995.

The Company invested $4.0 million in new property, plant and equipment during the nine-month period ended March 31, 1995, primarily related to the expansion of the Company's manufacturing facilities, compared to $810,000 during the same period in 1994.

On September 30, 1994, the Company entered into a $6.3 million credit facility with a commercial bank. The credit facility includes the following:

- a $1.3 million Term loan for the payout of existing debt and reimbursement for the early payout of a capital lease on the Taylor manufacturing facility.

- a $3.5 million Revolver/Term construction loan to finance the expansion of the Taylor facilities.

- a $1.5 million Line of Credit for working capital purposes.

The entire Term loan was drawn in October 1994 and, as of March 31, 1995, $2.6 million had been drawn on the Revolver/Term construction loan. Of these proceeds, approximately $900,000 was used to pay down other existing debt facilities.

The construction project at the Decatur facilities allows for new high-speed ophthalmic production, as well as new capabilities for suspensions, ointments and unit-dose products. The total cost of the expansion project, including additional equipment, is expected to be between $5 million and $5.5 million. The expansion is to be financed by (1) the $3.5 million construction loan noted above, (2) capital lease arrangements totalling $700,000, (3) reimbursements, up to approximately $600,000, from Pfizer Inc. under a previously announced cross- licensing agreement and (4) internal sources.

Working capital increased $806,000 during the nine-month period ended March 31, 1995. This increase in working capital is primarily reflected in the growth in inventory noted above which is not expected to continue. This growth in inventory was funded from internal sources and from borrowings under the Company's Line of Credit.

The most significant short-term needs, exclusive of working capital requirements, continue to be primarily for the payout of previously reserved costs associated with the site transfer of ANDAs, which are expected to be approximately $400,000 over the next twelve months.

In addition, the Company has been notified by the Internal Revenue Service (IRS) that, in connection with the examination of tax returns for the period of 1988 through 1993, the IRS may propose adjustments that could result in additional current income taxes and interest payable of $1 million to $1.5 million. The Company accrued reasonable estimates related to the income statement effects of such exposure and as a result there should be no significant effects on the Company's reported earnings should these adjustments be proposed and sustained. Should the disputed adjustments be settled within the range noted above, Management anticipates that the obligations would be paid in deferred payments over an extended period.

Existing working capital, net cash provided by operating activities and the Company's line of credit are expected to be sufficient to provide for these short-term needs.

Under a previously announced cross-licensing agreement with Pfizer, Akorn is required to pay a performance penalty of $1,020,000, should the Company be unsuccessful in obtaining approval, by December 31, 1996, of a product in development which was licensed to Pfizer. Given the current status of the product, Management believes that the likelihood that approval will not be obtained in this time frame is remote. Accordingly, no financial statement reserves related to the potential penalty have been accrued.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Certain legal proceedings in which the registrant, Akorn, Inc. (the "Company"), is involved are described in Item 3 to the Company's Form 10-KSB for the fiscal year ended June 30, 1994 and in Note N to the consolidated financial statements included in that report.

Item 2. Changes in Securities

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

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

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(11.1) Computation of Earnings per Share

(99.1) Press release issued by Akorn, Inc. on May 1, 1995 announcing its third quarter 1995 financial results.

(b) Reports on Form 8-K

None

SIGNATURES

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

AKORN, INC.

/s/ Barry D. LeBlanc
____
Barry D. LeBlanc
President and Chief Executive Officer
(Duly Authorized Officer)

/s/ Eric M. Wingerter
____
Eric M. Wingerter
Vice President - Finance and Administration
(Principal Financial Officer)

Date: May 5, 1995

EXHIBIT INDEX

Exhibit Number	Description	Sequentially Numbered Pages
(11.1)	Computation of Earnings per Share	
(99.1)	Press release issued by Akorn, Inc. on May 1, 1995 announcing its third quarter 1995 financial results.	

Akorn, Inc.

Exhibit 11.1

COMPUTATION OF NET INCOME PER SHARE
(In Thousands, Except Per Share Data)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	1995	1994	1995	1994
Earnings				
Income applicable to common stock	$ 228	$ 627	$ 1,619	$ 1,223
Shares				
Weighted average number of shares outstanding	14,838	14,824	14,819	14,804
Additional shares assuming conversion of options and warrants	682	724	628	514
Pro forma shares	15,520	15,548	15,447	15,318
Net income per share	$ .01	$ .04	$ .10	$ .08

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDING MARCH 31, 1995 AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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EXHIBIT 99.1

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FOR IMMEDIATE RELEASE
MONDAY, MAY 1, 1995

AKORN ANNOUNCES THIRD-QUARTER RESULTS;
CITES TEMPORARY FACTORS IN SLOWER GROWTH;
REITERATES CONFIDENCE IN STRATEGY;
COMMENTS ON OUTLOOK

ABITA SPRINGS, LA, May 1, 1995 -- Akorn, Inc. (Nasdaq: AKRN) today announced third-quarter fiscal 1995 results, which included a marginal increase in sales and a decline in net income per share to 1 cent from 4 cents. Results for the nine months ended March 31, 1995, were highlighted by a 75 percent rise in operating income and a 32 percent increase in net income.

"We had some challenges this quarter which resulted in slower growth than we've experienced in the recent past," Barry D. LeBlanc, president and chief executive officer said. "Three key factors contributed to the decline from expected results for the quarter: the conversion of our leading allergy product to over-the-counter status, the temporary closure of our manufacturing facility due to construction, and cost increases on some products that we currently do not manufacture.

We feel third-quarter performance, however, does not signal a downward trend as Akorn's growth strategy is still solid."

Review of Results

Net sales for the quarter ended March 31, 1995, were $7.5 million, up 3 percent from last year's $7.3 million. Akorn's third-quarter net income was $228,000, or 1 cent per share, compared with $626,000, or 4 cents per share, in the prior-year period.

"The decline in revenue growth was attributable to several factors," LeBlanc explained. "First, there was the anticipated loss of AK-Con-A, our leading allergy product. AK-Con-A was recently converted to over-the-counter from prescription status by the Food and Drug Administration (FDA). Currently, we are awaiting approval to begin marketing the drug under its new status."

LeBlanc continued, "Second, sales and earnings were also affected by the temporary shutdown of our Decatur, Illinois manufacturing facility as required by the previously announced $4.5 million expansion project. The shutdown was about a week longer than originally anticipated, affecting both sales and overhead absorption for the quarter. We view this as a short-

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term sacrifice for a long-term gain, however, as the expanded manufacturing capacity will help make our products more cost effective. Additionally, the renovated facility gives Akorn new capability to produce suspensions, ointments and unit-dose products."

"Third," LeBlanc said, "earnings during the quarter were hurt by continued cost increases implemented by some of our suppliers, which have made us less competitive in the generic marketplace. In the short-term we are combating higher product cost by sourcing from alternative suppliers under more favorable agreements. Longer-term, our goal to manufacture all of our products in-house will eliminate reliance on other manufacturers and make us more competitive."

Gross profit for the quarter ended March 31, 1995, declined 11 percent to $2.7 million from $3.0 million in the year-ago period, with gross margins declining 6 percent to 36.1 percent. According to the company, loss of the highly profitable AK-Con-A sales, lower overhead absorption and increased product costs lead to the decline in gross margin.

In addition, Akorn experienced two items that virtually offset each other in the third quarter. A change in estimate related to the accounting for aged customer credits reduced selling, general and administrative expense (SG&A) by approximately $300,000. However, a loss of approximately the same amount relating to a decline in the value of a long-term strategic investment was recorded under "other expenses." The investment was made in conjunction with discussions the company was having regarding the licensing of technology for ophthalmic use.

Akorn's earnings have been fully taxed since the beginning of this fiscal year. The effective rate for the quarter ended March 31, 1995, was 30 percent, compared with an effective rate of 20 percent in fiscal 1994. As a result, comparisons of pre-tax earnings are more favorable than those of net earnings.

Net sales for the nine months ended March 31, 1995, were $24.4 million, 24 percent greater than the year-ago's $19.7 million. Nine-month net income was approximately $1.6 million, or 10 cents per share, 32 percent greater than the $1.2 million, or 8 cents per share, for the nine-month period of fiscal 1994.

Gross profit for the nine months ended March 31, 1995, was $9.9 million, an increase of 23 percent over the prior-year amount of $8.1 million. Gross margins remained relatively unchanged during the nine-month period ended March 31, 1995, compared with the prior-year period.

Operating Highlights

Commenting on third-quarter results, LeBlanc said, "While our results for the quarter are below desirable levels, the factors contributing to the decline are temporary and manageable and will be sufficiently addressed by the strategies we have had in place for the last three years."

"The loss of AK-Con-A as an over-the-counter product was anticipated. Upon receiving FDA approval, the product will be marketed under its new status through a joint venture, which should restore profits on the product to previous levels. We had timed our joint venture to begin generating income this quarter, allowing for a seamless transition and virtually no effect on earnings. However, due to delays beyond our control, this did not occur and approval is now anticipated sometime in fiscal 1996."

LeBlanc continued, "The lower contract revenues and lower overhead absorption are also temporary as our facilities are now back to full production with expanded and more cost-efficient capabilities."

LeBlanc noted, "To combat the rising costs of products we do not currently manufacture, Akorn continues its efforts to obtain FDA approval for the in-house manufacture of all our pharmaceutical products. Currently, we have six abbreviated new drug applications (ANDAs), representing seven dosage strengths, filed. Our R&D efforts are proceeding nicely, and it is just a matter of time until approvals are obtained. In the meantime,

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Akorn, Inc.
Add -2-

Akorn has signed, and continues to pursue, agreements with alternative suppliers to hold down product costs."

Outlook

"In response to these temporary challenges and after evaluating the current mix of Akorn's product line, we took steps in the end of the third quarter to eliminate approximately $1 to $1.5 million of SG&A and other operating costs on an annual basis," LeBlanc stated. "We should begin to see the effects of these reductions in the fourth quarter. Expected reductions will be somewhat offset, however, by higher depreciation and interest associated with the manufacturing expansion project."

LeBlanc continued, "Based on recent challenges and management's efforts to combat them, we expect earnings in the fourth quarter to be 3 cents to 4 cents on sales of approximately $9 million. Anticipated year-end sales of $33 to $34 million will represent a 15 to 20 percent increase over fiscal 1994. Expected earnings of $2 to $2.5 million, or 13 to 15 cents per share, will fall slightly below fiscal 1994 numbers, which were not fully taxed."

LeBlanc concluded, "Akorn continues to pursue what management believes is its most important growth strategy for the near term -- the in-licensing of products from other companies, which provides almost immediate sales and earnings. Our low-cost, three-pronged distribution system -- field sales force, telemarketing force and direct-mail (catalog) effort -- positions us as a marketing alternative in the health-care area of ophthalmology for major pharmaceutical companies. We have been very successful in the past and we are confident that our strategy will continue to contribute significantly to our growth. Longer term, we will work to fill our pipeline of ANDAs to optimize margins by accomplishing our goal to manufacture all of our ophthalmic pharmaceutical products in-house."

Akorn Inc. manufactures, markets and distributes ophthalmic products, including an extensive line of therapeutic and diagnostic pharmaceuticals and over-the-counter products.

Financial tables follow .....

AKORN, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except per share amounts)

	Three Months Ended March 31,			Nine Months Ended March 31,		
	1995	1994	% Chg	1995	1994	% Chg
Net sales	$7,503	$7,268	3.2%	$24,428	$19,772	23.5%
Cost of sales	4,792	4,238	13.1%	14,484	11,687	23.9%

Gross profit	2,711	3,030	-10.5%	9,944	8,085	23.0%
Selling, general and administrative	1,936	2,009	-3.6%	6,655	5,902	12.8%
Research and development	211	253	-16.6%	562	619	-9.2%
Operating income	564	768	-26.6%	2,727	1,564	74.4%
Interest & other, net	(238)	10	n.m.*	(186)	(54)	n.m.
Pretax income	326	778	-58.1%	2,541	1,510	68.3%
Income taxes	98	152	-35.5%	922	287	221.3%
Net income	$228	$626	-63.6%	$1,619	$1,223	32.4%
Per share	$0.01	$0.04	-63.5%	$0.10	$0.08	31.3%
Shares outstanding	15,520	15,548	-0.2%	15,447	15,318	0.8%

* n.m.: not meaningful

AKORN, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 31, 1995	June 30, 1994
Assets		
Cash and investments	$2,139	$3,650
Accounts receivable, net	4,595	4,794
Inventories	6,478	4,722
Other current assets	1,262	1,006
Total current assets	14,474	14,172
Property, plant and equipment, net	9,658	6,249
Other assets	1,035	800
Total assets	$25,167	$21,221
Liabilities and shareholders' equity		
Trade accounts payable	$1,845	$2,517
Income taxes payable	354	711
Accrued payroll and commissions	622	876
Accrued reorganization costs	506	934
Other accrued expenses	2,720	1,513
Total current liabilities	6,047	6,551
Long-term debt and capital leases	3,513	799
Pre-funded development costs	385	900
Other long-term liabilities	1,010	628
Shareholders' equity	14,212	12,343
Total liabilities and shareholders' equity	$25,167	$21,221

For additional information regarding Akorn free of charge via fax, dial 1-800-PRO-INFO and enter "AKRN."