SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

AMENDMENT NO. 1

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) September 18, 2000

ALEXION PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	0-27756	13-3648318
(State of Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

352 KNOTTER DRIVE, CHESHIRE, CT	06410
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (203) 776-1790

NOT APPLICABLE
(Former name or former address, if changed since last report)

ITEM 2. ACQUISTION OR DISPOSITION OF ASSETS.

This Amendment No. 1 to the Current Report of Alexion Pharmaceuticals, Inc. (the "Registrant") on Form 8-K dated September 18, 1998 (the "Report") relates to the Registrant's completion of the acquisition of Prolifaron, Inc., a California corporation ("Prolifaron"). The purpose of this Amendment is to amend Item 7 (a) to provide the financial statements of Prolifaron, Item 7 (b) to provide the required pro forma financial information relating to the business combination between the Registrant and Prolifaron, which were impracticable to provide at the time of the initial filing of the Current Report on Form 8-K and to amend Item 7(c) to include the consent of Arthur Andersen LLP.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Information of Prolifaron, Inc. -

(b) Pro forma Financial Information.

(c) Exhibits.

1. Consent of Arthur Andersen LLP

PROLIFARON, INC.

Financial Statements
As of December 31, 1999 and June 30, 2000
Together With Report of Independent Public Accountants

Report of Independent Public Accountants

To the Stockholders and Board of Directors of Prolifaron, Inc.:

We have audited the accompanying balance sheet of Prolifaron, Inc. (a California corporation) as of December 31, 1999 and the related statements of operations, stockholders' equity and cash flows for the year ended December 31, 1999. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prolifaron, Inc. as of December 31, 1999 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

San Diego, California
June 30, 2000

PROLIFARON, INC.

Balance Sheets - December 31, 1999 and June 30, 2000 (unaudited)

	1999	2000 (unaudited)
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 852,039	$ 788,426
Accounts receivable	375,000	37,500
Prepaid expenses	95,839	33,478
Deferred tax asset	540,797	570,120
Total current assets	1,863,675	1,429,524
PROPERTY, PLANT AND EQUIPMENT, net	501,274	571,676
INTANGIBLES, net	116,000	110,000
DEPOSITS	6,600	6,600
	122,600	116,600
	$ 2,487,549	$ 2,117,800
Liabilities and Stockholders' Equity		
CURRENT LIABILITIES:		
Accounts payable	$ 25,713	$ 66,201
Accrued liabilities	34,290	37,919
Income tax payable	579,977	179,908
Deferred research revenue	--	937,107
Total current liabilities	639,980	1,221,135
DEFERRED RESEARCH REVENUE	1,333,333	--
STOCKHOLDERS' EQUITY:		
Common stock, $0.01 par value, 17,000,000 shares authorized, 6,854,721 shares issued and outstanding	68,547	68,547
Additional paid-in capital	1,532,253	2,010,454
Subscription receivable	(450,000)	(120,000)
Retained deficit	(636,564)	(1,062,336)
Total stockholders' equity	514,236	896,665
	$ 2,487,549	$ 2,117,800

The accompanying notes are an integral part of these balance sheets.

PROLIFARON, INC.

Statements of Operations
For the Year Ended December 31, 1999 and the Six Months Ended June 30, 2000 and 1999 (unaudited)

		Six Months Ended	
	December 31, 1999	June 30, 2000	June 30, 1999
		(unaudited)	(unaudited)
RESEARCH REVENUES	$ 2,438,597	$ 1,221,555	$1,083,333
OPERATING EXPENSES:			
Research and development	1,542,018	1,735,635	518,207
General and administrative	245,802	197,173	133,407
Total operating expenses	1,787,820	1,932,808	651,614
Income (loss) from operations	650,777	(711,253)	431,719
INTEREST INCOME	78,826	26,226	44,300
OTHER INCOME (LOSS)	(815)	--	--
Income (loss) before provision for income taxes	728,788	(685,027)	476,019
PROVISION (BENEFIT) FOR INCOME TAXES	521,145	(259,255)	427,097
Net income (loss)	$ 207,643	$ (425,772)	$ 48,922

The accompanying notes are an integral part of these financial statements.

PROLIFARON, INC.

Statements of Stockholders' Equity
For the Year Ended December 31, 1999 and the Six Months Ended June 30, 2000
(unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Subscription Receivable	Retained Deficit	Total
Balance, January 1, 1999	6,804,721	$68,047	$1,432,753	$(450,000)	$ (844,207)	$ 206,593
Issuance of stock for licensed technology	50,000	500	99,500	--	--	100,000
Net income	--	--	--	--	207,643	207,643
Balance, December 31, 1999	6,854,721	68,547	1,532,253	(450,000)	(636,564)	514,236
The following information is unaudited:						
Receipt of stock subscription	--	--	--	330,000	--	330,000
Compensation expense related to stock options	--	--	478,201	--	--	478,201
Net loss	--	--	--	--	(425,772)	(425,772)
Balance, June 30, 2000	6,854,721	$68,547	$2,010,454	$(120,000)	$(1,062,336)	$ 896,665

The accompanying notes are an integral part of these financial statements.

PROLIFARON, INC.

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 1999 and the Six Months Ended June 30, 2000 and 1999 (unaudited)

	December 31, 1999	Six Months Ended June 30, 2000	June 30, 1999
		(unaudited)	(unaudited)
Cash flows from operating activities:			
Net income (loss)	$ 207,643	$(425,772)	$ 48,922
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	91,478	76,904	40,141
Loss on sale of fixed assets	815	--	--
Deferred tax asset	(540,797)	(29,323)	(540,797)
Deferred compensation	--	478,201	--
Changes in assets and liabilities:			
Accounts receivable	(375,000)	337,500	--
Prepaid expenses	(53,114)	62,361	36,125
Income tax receivable	--	--	--
Deposits	(6,600)	--	--
Accounts payable	1,074	40,488	(6,777)
Accrued liabilities	21,655	3,629	10,019
Income tax payable	579,977	(400,069)	666,928
Deferred research revenue	833,333	(396,226)	1,166,667
Net cash provided by (used in) operating activities	760,464	(252,307)	1,421,228
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales of property, plant and equipment	350	--	--
Purchases of property, plant and equipment	(278,241)	(141,306)	(90,184)
Net cash used in investing activities	(277,891)	(141,306)	(90,184)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from stock subscriptions	--	330,000	--
Net cash provided by financing activities	--	330,000	--
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	482,573	(63,613)	1,331,044
CASH AND CASH EQUIVALENTS, beginning of year	369,466	852,039	369,466
CASH AND CASH EQUIVALENTS, end of year	$ 852,039	$ 788,426	$ 1,700,510
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Acquisition of licensed technology	$ 100,000	$ --	$ --
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:			
Income taxes	$ 482,100	$ 45,137	$ 302,600

The accompanying notes are an integral part of these financial statements.

PROLIFARON, INC.

Notes to Financial Statements
December 31, 1999 and June 30, 2000 (unaudited)

1. Business and Organization

Prolifaron, Inc. (the "Company"), a California corporation, is a research based company specializing in the discovery and early stage development of novel antibody drug therapies. The Company began operations as a limited liability corporation in 1997 and was re-incorporated as a C corporation on March 26, 1999.

The Company is subject to a number of risks and uncertainties associated with companies at a similar stage of maturity, including reliance on key personnel, reliance on a small number of customers, limited operating history and the unproven nature of the Company's technology, revenue and income potential.

During September 2000, the Company entered into an agreement with Alexion Pharmaceuticals, Inc. ("Alexion"), whereby Alexion common stock and options, with an aggregate value of approximately $44 million, was exchanged for all of the Company's outstanding shares and options. On the effective date of the agreement, the Company was merged with a wholly-owned subsidiary of Alexion and renamed Alexion Antibody Technologies, Inc. These financial statements have not been adjusted to reflect the merger noted above.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements and related information and the notes thereto in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues, expenses and disclosures of contingent assets and liabilities. Actual results could differ from these estimates.

Interim Financial Statements

The accompanying financial statements for the interim period included herein are unaudited. Certain information and note disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been omitted, although the Company believes that the disclosures made are adequate to make the information presented not misleading. These unaudited financial statements reflect, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to fairly present the results of operations, changes in cash flows and financial position as of and for the periods presented. The results for the interim period presented are not necessarily indicative of results to be expected for a full year.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in readily available checking and money market accounts with a maturity of three months or less.

Property, Plant and Equipment

Property, plant and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the related assets, ranging from 3 to 5 years.

Property, plant and equipment consists of the following:

	December 31, 1999	June 30, 2000 (unaudited)
Furniture and fixtures	$ 20,481	$ 21,266
Lab equipment	402,938	525,660
Leasehold improvements	157,919	158,944
Computers	51,428	68,202
	632,766	774,072
Less - accumulated depreciation and amortization	(131,492)	(202,396)
	$ 501,274	$ 571,676

Depreciation expense for the year ended December 31, 1999 and the six months ended June 30, 2000 and 1999 was $89,478, $70,904 and $39,142, respectively.

Long-Lived Assets

The Company periodically re-evaluates the original assumptions and rationale utilized in the establishment of the carrying value and estimated lives of all of its long-lived assets including property, equipment and intangibles. The determinants for this evaluation include management's estimate of the asset's ability to generate positive income from operations and positive cash flow in future periods as well as the strategic significance of the asset to the Company's business objective.

Intangibles

Intangibles consists of license agreements for patents which are stated at cost and are amortized using the straight-line method over their estimated useful lives of 10 years.

Intangibles consists of the following:

	December 31, 1999	June 30, 2000 (unaudited)
Licensed technology	$ 120,000	$ 120,000
Less - accumulated amortization	(4,000)	(10,000)
	$ 116,000	$ 110,000

Amortization expense for the year ended December 31, 1999 and the six months ended June 30, 2000 and 1999 was $2,000, $6,000 and $1,000, respectively.

Research and Development Costs

All research and development costs are charged to expense as incurred.

Revenue Recognition

The Company receives revenue under collaborative agreements and research grants.

Collaborative agreements can include advance payments, milestone payments and royalties on end user sales. Advance payments received in excess of amounts earned are classified as deferred research revenue and the resulting revenues are recognized based on the work performed. Milestone payments earned in connection with research activities performed under the terms of collaborative agreements are recognized on the achievement of certain milestones. As of December 31, 1999 and June 30, 2000, the Company had not received any royalty revenue under collaborative agreements (see Note 8).

Research grant revenue is recorded as earned as defined within the specific agreements.

Concentration of Risk

During the year ended December 31, 1999 and the six months ended June 30, 2000, 89% and 95%, respectively, of the Company's research revenues were derived from a collaborative agreement with Centocor, Inc. ("Centocor"). At December 31, 1999, Centocor represented 100% of the Company's outstanding accounts receivable (see Note 8). At June 30, 2000, SmithKline-Beecham represented 100% of the Company's outstanding accounts receivable.

Income Taxes

Deferred tax assets and liabilities reflect the future tax consequences of the difference between the financial reporting and tax basis of assets and liabilities using current enacted tax rates. Valuation allowances are recorded when the realizability of such deferred tax assets is questionable.

3. Related Party

During the year ended December 31, 1999 and the six months ended June 30, 2000 and 1999, the firm of Hinshaw & Culbertson, of which a partner was the Chief Financial Officer of the Company, billed and collected $25,131, $9,165 and $19,015, respectively from the Company for legal services.

4. Income Taxes

Components of the Company's deferred tax asset as of December 31, 1999 results from the following temporary differences:

Depreciation and amortization	$ 7,464
Deferred research revenue	533,333
Total deferred tax asset	$540,797

The provision for income taxes for the year ended December 31, 1999 consists of

Current:		
	Federal	$ 900,677
	State	161,265
		1,061,942
Deferred:		
	Federal	(459,677)
	State	(81,120)
		(540,797)
Total provision for income taxes		$ 521,145

Realization of deferred income taxes is dependent on generating sufficient taxable income during the periods in which temporary differences will reverse. Although realization is not assured, management believes it is

more likely than not that the deferred income taxes will be realized. The amount of deferred income taxes considered realizable, however, could be adjusted in the near term if estimates of future taxable income during the reversal periods are revised.

5. Stockholders' Equity

The Company's Articles of Incorporation authorized the Company's Board of Directors to issue an aggregate of 17,000,000 voting common shares having a $0.01 par value and 3,000,000 shares of preferred stock with no par value. The Board of Directors has the right to establish any rights and preferences of any series of preferred stock it so authorizes.

In conjunction with a prior year common stock issuance, the Company received notes from several accredited investors. The notes were non-interest bearing and provided for scheduled payments. As of December 31, 1999 and June 30, 2000, the outstanding balances due from the notes were $450,000 and $120,000, respectively.

6. Stock Options

The Company has granted stock options to its employees and consultants pursuant to either individual non-qualified stock option grants or its 1999 stock option and long-term incentive plan.

The following summarizes stock option activity:

	Number of Options Outstanding	Weighted Average Exercise Price
Outstanding, December 31, 1998	--	$--
Granted	395,000	2.05
Exercised	--	--
Surrendered, forfeited or expired	--	--
Outstanding, December 31, 1999	395,000	2.05
Granted	150,000	2.50
Exercised	--	--
Surrendered, forfeited or expired	15,000	2.00
Outstanding, June 30, 2000	530,000	2.18
Exercisable, end of period	269,667	
Weighted average fair value of options granted		1.61

The outstanding options expire at various dates from April 21, 2009 to July 1, 2010.

On various dates between April 21, 1999 and February 1, 2000, the Company issued an aggregate total of 225,000 options to employees and non-employees at exercise prices of either $2.00 or $2.50, based on the terms of the respective agreements. The deemed fair values at the respective grant dates ranged from $1.38 to $1.90. These grants will be expensed over the vesting periods of the options, which range from immediate vesting to five-year terms. At June 30, 2000, $478,201 of such expense was recognized.

Stock-based compensation has been included in the accompanying statement of operations for the six months ended June 30, 2000 as follows:

Operating expenses:	
Research and development	$429,569
General and administrative	48,632
Total stock-based compensation	$478,201

As required by SFAS No. 123, the Company has determined, for the year ended December 31, 1999 and the six months ended June 30, 2000, the pro forma information for its incentive stock options under SFAS No. 123. The fair values of the incentive stock option grants were estimated on the date of grant using the Black-Scholes option pricing model using the following weighted average assumptions: risk-free interest rate ranging between 5.28% and 6.72%; dividend yield of 0%; expected market price volatility factor of 85%; and expected lives of the options of seven years. Had compensation cost for incentive stock options granted during the year ended December 31, 1999 been determined consistent with SFAS No. 123, the Company's net income would not have been materially different from its reported net income. Had compensation cost for incentive stock options granted during the six months ended June 30, 2000 been determined consistent with SFAS No. 123, the Company's net loss on a pro forma basis would be $503,303.

7. Commitments and Contingencies

Legal Matters

The Company may periodically be a defendant in cases incidental to its business activities. While any litigation or investigation has an element of uncertainty, the Company believes that the outcome of any of these matters will not have a materially adverse effect on its financial condition or operations.

Operating Leases

The Company occupies its office and warehouse space under operating leases which benefit certain stockholders and are subject to an annual adjustment based on the Consumer Price Index. Total rent expense for the year ended December 31, 1999 and the six months ended June 30, 2000 and 1999 was $92,933, $66,589 and $31,890, respectively.

On September 29, 2000, the Company amended its lease on its office and warehouse space. The amendment grants the Company use of an additional suite for a period of one year and seven months. The additional rent is included in the operating lease commitment schedule.

Minimum future commitments under these operating leases are as follows:

Year Ending December 31,	
2000	$ 133,846
2001	171,412
2002	121,484
2003	2,136
2004	2,136
Thereafter	712
	$ 431,726

License Agreements

The Company and Dyax Corp. ("Dyax") entered into an agreement dated August 31, 1999, under which Dyax granted the Company use of certain patented technologies. Under the terms of this agreement, the Company may be required to make payments totaling $168,000, depending on the achievement of certain milestones. In addition, an annual maintenance fee of $50,000 must be paid by the Company for the life of the contract, which may extend fifteen years. The Company has the option to terminate the agreement at its sole discretion.

8. Collaboration with Centocor, Inc.

In an agreement dated January 1, 1999, the Company and Centocor entered into an agreement under which the Company agreed to grant to Centocor, certain exclusive, royalty-bearing licenses to certain technology and know-how, patents, patent applications, and research results associated with the Company's targeted research program. Under the terms of the agreement, the Company may receive up to $6.5 million including a $2.0 million license payment and payments to support research and development of $4.5 million. In addition, the Company will receive 6% of the net sales on each licensed product using the targeted antibodies, if any such products are successfully developed and receive the necessary regulatory approvals. On June 22, 2000 and effective September 20, 2000, within its rights under the agreement, Centocor cancelled its agreement with the Company.

As of December 31, 1999 and June 30, 2000, the Company had received a total of $3.5 million and $4.6 million, respectively, from Centocor, under this agreement. Amounts received in 1999 were comprised of the initial $2.0 million license fee and four quarterly payments of $375,000 each. Amounts received during the six months ended June 30, 2000 were comprised of three quarterly payments of $375,000 each.

Index

ARTICLE 1 Introduction

The following unaudited pro forma consolidated balance sheet as of July 31, 2000 and the unaudited pro forma consolidated statement of operations for the year ended July 31, 2000 give effect to the merger as of July 31, 2000 for the pro forma consolidated balance sheet and as of August 1, 1999 for the pro forma statement of operations.

The unaudited pro forma consolidated financial statements are based on historical financial statements of Alexion Pharmaceuticals, Inc. (Alexion) and Prolifaron, Inc. (Prolifaron), giving effect to the merger applying the purchase method of accounting and the assumptions and adjustments as discussed in the accompanying notes to the unaudited pro forma consolidated financial statements. These unaudited pro forma consolidated financial statements have been prepared by the management of Alexion based upon the consolidated financial statements of Alexion and Prolifaron as of July 31, 2000 and June 30, 2000, respectively and for the years then ended. The unaudited pro forma consolidated financial statements should be read in conjunction with the historical financial statements and notes thereto. The unaudited pro forma consolidated financial statements are not necessarily indicative of what actual results of operations would have been for the period presented had the transaction occurred on the dates indicated and do not purport to indicate the results of the future operations.

ALEXION PHARMACEUTICALS, INC./PROLIFARON, INC.

Unaudited Pro Forma Consolidated Balance Sheet
As of July 31, 2000
(amounts in thousands)

	Alexion July 31, 2000	Prolifaron June 30, 2000	Merger Pro Forma Adjustments (Note B)	Merger Pro Forma As Adjusted
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 91,858	$ 788	$ (500)	$ 92,146
Marketable securities	82,671	--	--	82,671
Reimbursable contract costs	5,095	38	--	5,133
Other current assets	456	604	--	1,060
Total current assets	180,080	1,430	(500)	181,010
PROPERTY AND EQUIPMENT, net	8,213	572	--	8,785
PURCHASED INTANGIBLE ASSETS	--	--	22,538	22,538
DEFERRED FINANCING COSTS, net	3,752	--	--	3,752
OTHER ASSETS	657	116	(110)	663
Total assets	$ 192,702	$ 2,118	$ 21,928	$ 216,748
LIABILITIES AND STOCKHOLDERS' EQUITY:				
CURRENT LIABILITIES:				
Current portion of notes payable	$ 369	$ --	$ --	$ 369
Accounts payable	2,100	66	--	2,166
Accrued expenses	1,229	218	--	1,447
Accrued interest	2,730	--	--	2,730
Deferred revenue	750	937	--	1,687
Total current liabilities	7,178	1,221	--	8,399
NOTES PAYABLE, less current portion included above	3,920	--	--	3,920
CONVERTIBLE SUBORDINATED DEBT	120,000	--	--	120,000
STOCKHOLDERS' EQUITY:				
Common stock, $.0001 par value	2	--	--	2
Common stock, $.01 par value	--	69	(69)	--
Paid-in capital	128,836	2,010	41,935	172,781
Subscription receivable	--	(120)	--	(120)
Accumulated deficit	(67,214)	(1,062)	(19,938)	(88,214)
Other comprehensive loss	(20)	--	--	(20)
Treasury stock, at cost	--	--	--	--
Total stockholders' equity	61,604	897	21,928	84,429
Total liabilities and stockholders' equity	$ 192,702	$ 2,118	$ 21,928	$ 216,748

The accompanying notes are an integral part of these financial statements.

ALEXION PHARMACEUTICALS, INC./PROLIFARON, INC.

Unaudited Pro Forma Consolidated Statement of Operations For the Year Ended July 31, 2000 (amounts in thousands, except per share amounts)

	Alexion Year Ended July 31, 2000	Prolifaron Year Ended June 30, 2000	Merger Pro Forma Adjustments (Note C)	Merger Pro Forma As Adjusted
CONTRACT RESEARCH REVENUES	$ 21,441	$ 2,578	$ --	$ 24,019
OPERATING EXPENSES:				
Research and development	40,187	2,760	--	42,947
General and administrative	4,175	310	--	4,485
Amortization of purchased intangible assets	--	--	3,296	3,296
Total operating expenses	44,362	3,070	3,296	50,728
Loss from operations	(22,921)	(492)	(3,296)	(26,709)
OTHER INCOME AND (EXPENSE):				
Interest income	5,833	60	--	5,893
Interest expense	(3,139)	--	--	(3,139)
Loss before benefit for income taxes	(20,227)	(432)	(3,296)	(23,955)
BENEFIT FOR INCOME TAXES	--	(165)	165	--
Net loss	$(20,227)	$ (267)	$ (3,461)	$(23,955)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (1.45)			$ (1.68)
SHARES USED IN COMPUTING BASIC AND DILUTED NET LOSS PER COMMON SHARE	13,914			14,270

The accompanying notes are an integral part of these financial statements.

ALEXION PHARMACEUTICALS, INC./PROLIFARON, INC.

Notes to Unaudited Pro Forma Consolidated Financial Statements

NOTE A

In September 2000, Prolifaron was merged with a wholly-owned subsidiary of Alexion and renamed Alexion Antibody Technologies, Inc. As consideration for Alexion's merger with Prolifaron, Alexion has paid to holders of Prolifaron common stock and stock options pursuant to the terms of the merger agreement, 355,594 shares of Alexion common stock, par value $.0001 per share and fully vested options to purchase 44,364 shares of Alexion common stock at a weighted average exercise price of $44.35 per share in exchange for fully vested options of Prolifaron granted under its stock option plan.

NOTE B

The pro forma consolidated balance sheet includes the estimated adjustments necessary to give full effect to the merger as if it had occurred on July 31, 2000 and reflects the allocation of the cost of the merger to the estimated fair value of assets acquired and liabilities assumed including the issuance of approximately 355,594 shares of Alexion common stock valued at approximately $39.4 million in the aggregate; issuance of options to purchase 44,364 shares of Alexion common stock with an estimated fair value of approximately $4.5 million, in aggregate; payment of $0.5 million in merger transaction costs; and elimination of Prolifaron's equity accounts.

The pro forma adjustments are summarized as follows (amounts in thousands):

- Use of cash for merger and related transaction costs; $(500)
- Issuance of Alexion common stock and stock options; $43,945
- Elimination of Prolifaron common stock, paid-in capital and accumulated deficit accounts; $(69), $(2,010), and $1,062, respectively
- In process research and development; $(21,000)
- Purchased intangible assets resulting from transaction; $22,538
- Adjustment to carrying value of an asset; $(110)

In connection with the merger with Prolifaron, Alexion allocated $21.0 million of the purchase price to in-process research and development projects. This allocation represented the estimated fair value based on risk-adjusted cash flows related to the incomplete research and development projects. At the date of the merger, the development of these projects had not yet reached technological feasibility and the research and development in progress had no alternative future uses. Accordingly, these costs were expensed as of the merger date.

At the merger date, Prolifaron was conducting pre-clinical development and testing activities with a goal to develop technologies for antibody discovery and engineering and identify new fully human therapeutic antibodies addressing multiple disease areas. The drug candidates under development represent innovative technologies addressing autoimmune and inflammatory disorders, and cancer.

As of the merger date, Prolifaron had incurred approximately $5.7 million of expenses on development projects since its inception in 1998, and expected to spend approximately $8.5 million over the next seven years to complete animal testing of the developmental drug candidates. Management anticipates the in-process projects will enter human clinical trials in 3 to 6 years, and if successful, would be marketed in the U.S. in five to nine years.

In making its purchase price allocation, management considered present value calculations of income, an analysis of project accomplishments and remaining outstanding items, an assessment of overall contributions, as well as technological and regulatory risks. The value assigned to purchased in-process technology was determined by estimating the costs to develop the acquired technology into commercially viable products, estimating the resulting net cash flows from the projects, and discounting the net cash flows to their present value. The revenue projection used to value the in-process research and development was based on estimates of relevant market sizes and growth factors, expected trends in technology, and the nature and expected timing of new product introductions by Prolifaron and its competitors.

The rates utilized to discount the net cash flows to their present value were based on estimated cost of capital calculations. Due to the risks associated with the projected cash flow forecast, a discount rate of 40 percent was considered appropriate for the in-process R&D. The selected rate reflects the inherent uncertainties surrounding the successful development of the purchased in-process technology, the useful life of such technology, and the uncertainty of technological advances that are unknown at this time.

If these projects are not successfully developed, the sales and profitability of the combined companies may by adversely affected in future periods. Additionally, the value of other acquired intangible assets may become impaired.

NOTE C

The pro forma consolidated statement of operations includes adjustments necessary to reflect the merger as if it had occurred on August 1, 1999. For purposes of the pro forma consolidated statements of operations, acquired in-process research and development ($21.0 million) was assumed to have been written off prior to August 1, 1999. Accordingly, the pro forma consolidated statement of operations does not included such charge.

The pro forma adjustments are summarized as follows (amounts in thousands):

- Amortization of goodwill resulting from the merger based upon an estimated life of 7 years; $3,163

- Amortization of intangible workforce benefit resulting from the merger based upon an estimated life of 3 years; $133

- Elimination of the income tax benefit of Proliferon as the pro forma consolidated net loss before benefit for income taxes would not have resulted in a tax benefit; $165

The pro forma net loss per share and the pro forma shares used in computing the pro forma net loss per share for the year ended July 31, 2000 are based upon Alexion's historical weighted average common shares outstanding for the period adjusted to reflect the issuance of 355,594 shares of Alexion common stock as described in Note A. There is no difference in pro forma basic and diluted net loss per common share as the effect of stock options issued in connection with the merger is anti-dilutive.

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 hereunto duly authorized.

ALEXION PHARMACEUTICALS, INC.

Dated: November 20, 2000

By: /s/ Leonard Bell

Name: Leonard Bell, M.D.
Title: President, Chief Executive Officer, Secretary and Treasurer

EXHIBIT INDEX

Exhibit No.	
23.1	Consent of Arthur Andersen LLP

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 8-K, into Alexion Pharmaceuticals, Inc.'s previously filed Registration Statements File Nos. 333-19905, 333-24863, 333-29617, 333-41397, 333-47645, 333-71879, 333-71985, 333-36738, and 333-47594.

/s/ Arthur Andersen LLP

San Diego, California
November 14, 2000