SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934: For the quarterly period ended April 30, 1998

OR

[_] 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: 0-27756

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

DELAWARE	13-3648318
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

25 SCIENCE PARK, SUITE 360, NEW HAVEN, CONNECTICUT 06511
(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [_]

CLASS	OUTSTANDING AT MAY 29, 1998
Common Stock, $0.0001 par value	11,225,112

ALEXION PHARMACEUTICALS, INC.
(A Development Stage Company)

INDEX

ALEXION PHARMACEUTICALS, INC.
(A Development Stage Company)

BALANCE SHEETS

ASSETS	April 30, 1998 (UNAUDITED)	July 31, 1997
Current Assets:		
Cash and cash equivalents	$34,837,355	$16,742,516
Marketable securities	7,482,866	6,006,380
Prepaid expenses	405,581	232,385
Total current assets	42,725,802	22,981,281
Equipment, net of accumulated depreciation and amortization	2,083,488	786,495
Other Assets:		
License technology rights, net	176,367	242,366
Patent application costs, net	151,383	168,691
Security deposits and other assets	85,402	81,728
Total other assets	413,152	492,785
TOTAL ASSETS	$45,222,442	$24,260,561
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of notes payable	$ 625,000	$ 130,000
Current obligations under capital leases	803	7,768
Accounts payable	1,092,374	727,553
Accrued expenses	524,337	1,201,770
Deferred revenue	66,000	347,070
Total current liabilities	2,308,514	2,414,161
Stockholders' Equity:		
Common stock $.0001 par value; 25,000,000 shares authorized; 11,236,863 and 8,858,012 shares issued at April 30, 1998 and July 31, 1997	1,124	886
Additional paid-in capital	79,790,015	53,671,867
Deficit accumulated during development stage	(36,877,109)	(31,826,251)
Treasury stock, at cost; 11,875 shares	(102)	(102)
Total stockholders' equity	42,913,928	21,846,400
TOTAL LIABILITIES AND NET EQUITY	$45,222,442	$24,260,561

See accompanying notes to financial statements.

ALEXION PHARMACEUTICALS, INC.
(A Development Stage Company)

Statements of Operations
(UNAUDITED)

	Three months ended April 30		Nine months ended April 30,		January 28, 1992 (inception) through
	1998	1997	1998	1997	April 30, 1998
CONTRACT RESEARCH REVENUES	$ 100,669	$ 621,027	$4,547,222	$2,869,766	$11,134,152
OPERATING EXPENSES:					
Research and Development	3,005,281	2,013,321	8,283,184	5,908,372	38,517,153
General and Administrative	672,990	700,169	1,948,991	2,107,530	11,466,640
Total Operating Expenses	3,678,271	2,713,490	10,232,175	8,015,902	49,983,793
OPERATING (LOSS)	(3,577,602)	(2,092,463)	(5,684,953)	(5,146,136)	(38,849,641)
OTHER INCOME, Net	562,344	186,643	1,534,095	626,502	2,872,532
NET (LOSS)	(3,015,258)	(1,905,820)	(4,150,858)	(4,519,634)	($35,977,109)
ACCRETION OF PREFERRED STOCK DIVIDENDS	150,000	0	900,000	0	
NET (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	($3,165,258)	($1,905,820)	($5,050,858)	($4,519,634)	
NET (LOSS) PER COMMON SHARE BASIC AND DILUTED (Note 3)	($0.30)	($0.26)	($0.52)	($0.62)	
SHARES USED IN COMPUTING NET (LOSS) PER COMMON SHARE	10,639,638	7,366,687	9,662,470	7,345,582	

See accompanying notes to financial statements.

ALEXION PHARMACEUTICALS, INC.
(A Development Stage Company)

Statements of Cash Flows
(UNAUDITED)

	Nine months ended April 30		January 28, 1992 (inception) through
	1998	1997	April 30, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	($4,150,858)	($4,519,634)	($35,977,109)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	418,335	532,395	3,514,315
Compensation expense related to grant of stock options	0	0	122,500
Net realized loss (gain) on marketable securities	0	0	44,766
Change in assets and liabilities:			
Prepaid expenses	(173,196)	33,690	(405,581)
Accounts payable	364,821	54,570	1,092,374
Accrued expenses	(677,433)	(35,615)	524,337
Deferred revenue	(281,070)	(334,700)	66,000
Net cash (used in) operating activities	(4,499,401)	(4,269,294)	(31,018,398)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchases of) proceeds from marketable securities, net	(1,476,485)	2,854,612	(7,475,063)
Purchases of equipment	(1,631,041)	(569,220)	(4,552,998)
Licensed technology costs	0	0	(615,989)
Patent application costs	(980)	(22,473)	(359,952)
Organization costs	0	0	(63,530)
Net cash (used in) provided by investing activities	(3,108,506)	2,262,919	(13,067,532)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from issuance of preferred and common stock	25,218,386	221,263	77,561,050
Advances from stockholder	0	0	1,200,000
Repayments of capital lease obligations	(6,966)	(21,848)	(377,261)
Borrowings under notes payable	625,000	0	1,804,135
Repayments of notes payable	(130,000)	(245,107)	(1,179,135)
Security deposits and other assets	(3,674)	3,416	(85,402)
Repurchase of common stock	0	0	(102)
Net cash provided by (used in) financing activities	25,702,746	(42,276)	78,923,285
NET INCREASE (DECREASE) IN CASH	18,094,839	(2,048,651)	34,837,355
CASH and CASH EQUIVALENTS at beginning of period	16,742,516	9,491,217	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$34,837,355	$7,442,566	$34,837,355
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid (refunded) for income taxes	$ 0	($ 7,950)	$ 30,684
Cash paid for interest expense	$ 9,105	$ 41,299	$ 415,070
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES			
Conversion of advances from stockholder into common stock	$ 0	$ 0	$ 1,200,000
Equipment acquired pursuant to capital lease obligations	$ 0	$ 0	$ 378,064
Preferred stock dividend accretion	$ 900,000	$ 0	$ 900,000

See accompanying notes to financial statements.

ALEXION PHARMACEUTICALS, INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

1. Operations and Basis of Presentation -

Alexion Pharmaceuticals, Inc. ("Alexion" or the "Company") was organized in January 1992 and is engaged in the research and development of proprietary immunoregulatory compounds for the treatment of cardiovascular disorders (perioperative bleeding and inflammation associated with cardiopulmonary bypass, myocardial infarction, and stroke) and autoimmune diseases (lupus, rheumatoid arthritis, and multiple sclerosis). As an outgrowth of its core technologies, the Company is developing, in collaboration with a third party (see Note 5), non-human UniGraft organ ("xenograft" organs) products designed for transplantation into humans and, with another third party (see Note 5), immunoprotected retroviral vector particles and producer cells for use in gene therapy.

The Company is in the development stage and is devoting substantially all of its efforts toward product research and development. The Company has incurred losses since inception and has cumulative net losses of approximately $36.0 million through April 30, 1998. The Company has made no product sales to date and has recognized cumulative revenue from grant, license, and contract revenues (see Note 5) of $11.1 million through April 30, 1998. During the nine months ended April 30, 1998, the Company received approximately $18.3 million in net proceeds from the issuance of shares of Series B Preferred Stock and the issuance of the Company's Common Stock to a single institutional investor. In addition, the Company received payments of an additional $6.5 million from United States Surgical Corporation ("US Surgical") for equity, exclusive licensing rights, and certain manufacturing assets. The Company has also received approximately $3.9 million from the exercise of warrants during the nine months ended April 30, 1998 (see Note 6).

The Company will need additional financing to obtain regulatory approvals, fund operating losses, and, if deemed appropriate, establish a manufacturing, sales, and marketing capability. In addition to normal risks associated with development stage companies, there can be no assurance that the Company's research and development will be successfully completed, that adequate patent protection for the Company's technology will be obtained, that the Company's products will not infringe third parties' patents, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. In addition, the Company operates in an environment of rapid change in technology, substantial competition from pharmaceutical and biotechnology companies and is dependent upon the services of its employees and its consultants.

The Company expects to incur substantial additional costs, including costs associated with research, pre-clinical and clinical testing, manufacturing process development, and additional capital expenditures associated with facility expansion and manufacturing requirements in order to commercialize its products currently under development. The Company will need to raise

substantial additional funds in addition to those previously described, which it will seek through public or private equity or debt financings, collaborative or other arrangements with corporate sources, or through other sources of financings.

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and include, in the opinion of management, all adjustments, consisting of normal, recurring adjustments, necessary for a fair presentation of interim period results. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The results for the interim periods presented are not necessarily indicative of results to be expected for any future period. It is suggested that these condensed financial statements be read in conjunction with the audited financial statements and notes thereto included in the Company's Form 10-K Annual Report for the fiscal year ended July 31, 1997.

2. Cash and Cash Equivalents and Marketable Securities -

Cash and cash equivalents are stated at cost, which approximates market, and include short-term highly liquid investments with original maturities of less than three months.

The Company invests in marketable securities of highly rated financial institutions and investment-grade debt instruments and limits the amount of credit exposure with any one entity. The Company follows Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Pursuant to this Statement, the Company has classified its marketable securities as "available for sale" and, accordingly, carries such securities at aggregate fair value. Unrealized gains or losses are included in stockholders' equity as a component of additional paid-in capital.

3. Net Loss per Common Share -

In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings Per Share", which superceded Accounting Principles Board Opinion 15. This new standard replaces the computation of primary earnings (loss) per share with a new computation of "basic earnings (loss) per share". The Company adopted this standard for all periods ending on or after January 31, 1998. Previously reported, net earnings (loss) per common share, is required to be restated under the provisions of SFAS No. 128. There was no effect on previously reported net loss per common share for the three and nine month periods ended April 30, 1998. There is no difference in basic and diluted net loss per common share as the effects of exercising outstanding

stock options, warrants and converting Preferred Stock to Common Stock is anti-dilutive for all periods presented.

4. Revenue Recognition -

Contract research revenues are recognized as the related work is performed under the terms of the contracts and expenses for development activities are incurred. Any revenue contingent upon future funding by the Company is deferred and recognized as the future funding is expended. Any revenues resulting from the achievement of milestones would be recognized when the milestone is achieved. License fee revenues represent non-refundable payments received in accordance with contractual agreements for various access and rights to the Company's technologies, research, potential products and markets.

5. Revenues -

Revenues recorded by the Company consist of license fees and research and development support under collaborations with US Surgical and GTI/Novartis, Small Business Innovation Research ("SBIR") grants awarded in July and September 1995 from the National Institutes of Health ("NIH"), and funding from the Commerce Department's National Institute of Standards and Technology ("NIST").

In July 1995, the Company entered into a collaborative research and development agreement with US Surgical. US Surgical agreed to fund pre-clinical development of the Company's xenotransplant products in return for exclusive worldwide manufacturing, marketing and distribution rights of such products by paying the Company up to $7.5 million allocated as follows: (1) up to $4.0 million of the cost of pre-clinical development in four semi-annual installments of up to $1.0 million, and (2) $3.5 million upon achieving certain milestones. In furtherance of this joint collaboration, US Surgical also purchased $4.0 million of the Company's common stock. As of October 31, 1997 the Company had recognized the $4.0 million for the cost of pre-clinical development. At the end of September 1997, US Surgical and the Company modified the July 1995 Joint Development Agreement. As part of the modification, US Surgical made a $6.5 million payment to the Company for equity, exclusive licensing rights, and certain manufacturing assets. Further, as part of the modified agreement, US Surgical and the Company agreed that the pre-clinical milestone payment in the original agreement was considered to have been satisfied.

In December 1996, the Company and GTI/Novartis entered into a License and Collaborative Research Agreement with respect to the Company's gene transfer technology. Under the

Agreement, GTI/Novartis has been granted a worldwide exclusive license to use the company's technology in its gene therapy products. GTI/Novartis agreed to pay the Company an initial up-front payment of $850,000, which consisted of a one-time license fee of $750,000 and a $100,000 research and development support payment. GTI/Novartis also agreed to fund a minimum of $400,000 per year, for two years for research and development support by the Company.

In November 1997, the Company and US Surgical were awarded a three-year $2.0 million Cooperative Agreement from NIST for funding a joint xenotransplantation project.

6. Equity Offerings -

In September 1997, the Company completed the private placement of 400,000 shares of Series B Preferred Stock for aggregate consideration of $10,000,000 to a single institutional investor, Biotech Target S.A. The net proceeds to the Company were approximately $9.5 million. The investor was entitled to a dividend of $2.25 per share of Series B Preferred Stock if this stock was held through March 4, 1998. On March 4, 1998 the Company converted the Preferred Stock into 935,782 shares of Common Stock and dividends of $900,000 were paid by the delivery of 70,831 shares of the Company's Common Stock. Also, on March 4, 1998 Biotech Target S.A. purchased an additional, 670,000 shares of Common Stock for an aggregate, offering price of $8,827,250.

In September 1997, the Company sold 166,945 shares of its common stock to US Surgical for aggregate consideration of $3,000,000. The sale of common stock was made in connection with the modification of the joint development agreement between the Company and US Surgical.

In connection with its private placements in fiscal 1993 and 1994, the Company had issued warrants to purchase Common Stock. These warrants were exercisable at any time prior to the close of business on December 4, 1997. All such warrants had expired or were exercised. Since the Company's inception warrants have been exercised for the purchase of 551,719 shares of Common Stock aggregating proceeds of approximately $4,144,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward looking statements which involve risks and uncertainties. Such statements are subject to certain factors and uncertainties, which may cause the Company's plans to differ. Factors and uncertainties that may cause such differences include, but are not limited to, the rate of progress, if any, of the Company's research and development programs, the Company's ability to compete successfully, the Company's ability to attract and retain qualified personnel, the Company's ability to successfully enter into collaborations with third parties, the Company's ability to enter into and progress in clinical trials, the time and costs involved in obtaining regulatory approvals, the costs involved in obtaining and enforcing patents and any necessary licenses, the ability of the Company to establish development and commercialization relationships and strategic alliances with third parties, the cost of manufacturing, the Company's ability to obtain additional funds, and those other risks discussed in the Company's Annual Report or Form 10-K for the fiscal year ended July 31, 1997.

OVERVIEW

Since its inception in January 1992, Alexion has devoted substantially all of its resources to its drug discovery, research and product development programs. To date, the Company has not received any revenues from the sale of products. The Company has been unprofitable since inception, and expects to incur substantial and increasing operating losses for the next several years due to expenses associated with product research and development, pre-clinical and clinical testing, regulatory activities and manufacturing development and scale-up. For the period from inception to April 30, 1998, the Company incurred a cumulative net loss of approximately $36.0 million.

The Company's plan is to develop and commercialize on its own those product candidates for which the clinical trial and marketing requirements can be funded by the Company. For certain of the Company's C5 Inhibitor and Apogen products for which greater resources will be required, Alexion's strategy is to form corporate partnerships with major pharmaceutical companies for product development and/or commercialization. Alexion has entered into strategic alliances with US Surgical with respect to the Company's Unigraft program, GTI/Novartis with respect to the Company's gene therapy technologies, and intends to seek additional strategic alliances with other major pharmaceuticals companies.

The Company recognizes research and development revenues when the development expenses are incurred and the related work is performed under the terms of the contracts. Any revenue contingent upon future funding by the Company is deferred and recognized as the future funding is expended. Any revenues resulting from the achievement of milestones would be recognized when the milestone is achieved. License fee revenues represent non-refundable payments

received in accordance to contractual agreements for various, access and rights to the Company's technologies, research, potential products and markets.

RESULTS OF OPERATIONS

Three Months Ended April 30, 1998
Compared with Three Months Ended April 30, 1997

The Company's contract research and license revenues decreased to $101,000 for the three months ended April 30, 1998 from $621,000 for the same period ended April 30, 1997. The decrease was due primarily to lower recognized grant revenues. Contract research revenues represent revenues from the Company's collaborative research and development agreement with GTI/Novartis.

Research and development expenses increased to $3,005,000 for the three months ended April 30, 1998 from $2,013,000 for the three months ended April 30, 1997. The increase resulted principally from expanded process development and internal/external manufacturing costs associated with the Company's recombinant product candidates.

General and administrative related expenses decreased to $673,000 for the three months ended April 30, 1998 from $700,000 for the same period ended April 30, 1997. This decrease in general administrative expenses resulted principally from lower outside professional services.

The Company earned other income, net, of $562,000 for the three months ended April 30, 1998 as compared to other income, net, of $187,000 for the three months ended April 30, 1997. This increase in other income, net, resulted principally from greater interest income from higher cash balances available for investment and decreased interest expense associated with maturing notes payable and maturing capital equipment leases used to finance the purchase of certain equipment.

As a result of the above factors, the Company incurred a net loss of $3,015,000 for the three months ended April 30, 1998 as compared to a net loss of $1,906,000 for the same three month period in 1997.

Nine Months Ended April 30, 1998
Compared with Nine Months Ended April 30, 1997

The Company's contract research and license revenues increased to $4,547,000 for the nine months ended April 30, 1998 from $2,870,000 for the nine months ended April 30, 1997. This increase was due primarily to a one-time license fee of $3.5 million the Company received from US Surgical in connection with the September 1997 modification of the companies' collaborative research and development agreement.

During the nine months ended April 30, 1998 and 1997, the Company expended $8,283,000 and $5,908,000, respectively, on research and development activities. This increase of $2,375,000 resulted principally from costs incurred related to the clinical trials of the Company's lead C5 Inhibitor, 5G1.1-SC, expanded pre-clinical development, process development, and manufacturing costs for the Company's recombinant product candidates.

General and administrative related expenses decreased to $1,949,000 for the nine months ended April 30, 1998 from $2,108,000 for the same period ended April 30, 1997. This decrease was due principally to lower external professional fees.

Other income, net was $1,534,000 for the nine months ended April 30, 1998 as compared to other income, net of $627,000 for same period a year ago. This increase in other income, net, resulted principally from greater interest income from higher cash balances available for investment and decreased interest expense associated with maturing notes payable, and maturing capital equipment leases used to finance the purchase of certain equipment.

As a result of the above factors, the Company's net loss decreased to $4,151,000 from $4,520,000 for the nine months ended April 30, 1998 and 1997, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Since its inception, the Company has financed its operations and capital expenditures primarily through private placements and its initial public offering of equity securities resulting in aggregate net proceeds of approximately $77.6 million. The Company has financed the purchase of certain equipment through $1.2 million of secured notes payable to a financing institution, $378,000 of capital lease obligations, and recently, $625,000 from a term loan from a commercial bank. Through April 1998, the Company has received an aggregate of approximately $8.9 million in license fees and research and development support under its collaborations with US Surgical and GTI/Novartis and has received $1.1 million from its SBIR grants from the NIH and $1.1 million under the ATP/NIST grant.

The proceeds of the Company's initial public offering, private placements, notes payable and capital leases, and the cash generated from the corporate collaborations and SBIR and ATP grants have been used to fund operating activities of approximately $31.0 million and investments of approximately $4.6 million in equipment and approximately $976,000 in licensed technology rights and patents through April 30, 1998. During the nine months ended April 30, 1998 and April 30, 1997, the Company's capital expenditures totaled $1,631,000 and $569,000, respectively, primarily for the acquisition of laboratory and manufacturing equipment. As of April 30, 1998, the Company had available in cash, cash equivalents and marketable securities of approximately $42.3 million.

The Company leases its administrative and research and development facilities under three principal operating leases expiring in December 1997, June 1998, and March 1999, respectively, each with an option for up to an additional three years. The Company is currently continuing the lease that expired in December 1997 on a month to month basis while discussions for a lease extension are on going.

The Company anticipates that its existing available capital resources and interest earned on available cash and marketable securities should be sufficient to fund its operating expenses and capital requirements as currently planned for at least the next eighteen months. In November 1997, the Company completed a term loan facility for up to $1.2 million with a commercial bank for the financing of capital expenditures principally related to facilities manufacturing scale-up equipment. As of April 30, 1998 the Company has drawn down $625,000 of the available $1.2 million term loan. The Company's future capital expenditure requirements will depend on many factors, including but not limited to, the progress of the Company's research and development programs, progress in clinical trials, the time and costs involved in obtaining regulatory approvals, the costs involved in obtaining and enforcing patents and any necessary licenses, the ability of the Company to establish development and commercialization relationships, and the costs of manufacturing scale-up.

In connection with its private placements in fiscal 1993 and 1994, the Company had issued warrants to purchase Common Stock. These warrants were exercisable at any time prior to the close of business on December 4, 1997. All such warrants had expired or were exercised. Since the Company's inception warrants have been exercised for the purchase of 551,719 shares of Common Stock aggregating proceeds of approximately $4,144,000.

On March 4, 1998, the Company's Series B Convertible Preferred Stock was automatically converted into 935,782 shares of the Company's Common Stock, par value $0.0001. The Company satisfied its dividend payment obligation, aggregating $900,000, by delivery of 70,831 shares of the Company's Common Stock to an institutional investor. In addition on March 4, 1998, the Company entered into an agreement to sell 670,000 shares of Common Stock, par value $0.0001, to the same institutional investor, Biotech Target S.A., for an aggregate purchase price of $8,827,250, equal to a purchase price of $13.175 per share (the average closing bid price of the Company's Common Stock for the five business days prior to March 4, 1998).

The Company expects to incur substantial additional costs, including costs associated with research, pre-clinical and clinical testing, manufacturing process development, contract manufacturing, and additional capital expenditures associated with facility expansion and manufacturing requirements in order to commercialize its products currently under development. The Company will need to raise substantial additional funds through additional financings including public or private equity offerings and collaborative research and development arrangements with corporate partners. There can be no assurance that funds will be available on terms acceptable to the Company, if at all, or that discussions with potential collaborative partners will result in any agreements. The unavailability of additional financing could require

the Company to delay, scale back or eliminate certain of its research and product development programs or to license third parties to commercialize products or technologies that the Company would otherwise undertake itself, any of which could have a material adverse effect on the Company.

YEAR 2000

The "Year 2000" issue affects computer systems that have date sensitive programs that may not properly recognize the year 2000. Systems that do not properly recognize such information could generate data or cause a system to fail, resulting in business interruption. The Company is currently developing a plan to provide assurances that its computer systems are Year 2000 compliant. The Company's accounting and payroll systems are provided by third party suppliers, who have indicated that such systems are Year 2000 compliant. Other key internal systems will be assessed and plans will be developed to address required systems modifications. Given the relatively small size of the Company's internal systems and the relatively new hardware, software and operating systems, management does not anticipate any significant delays in becoming Year 2000 compliant. Further, management believes at present that the costs associated with modifications to become Year 2000 compliant will be immaterial to the Company's continued internal operations.

The Year 2000 issue is expected to affect the systems of various entities with which the Company interacts, including the Company's research and development partners, suppliers and vendors. There can be no assurance that the systems of other companies on which the Company's system rely will be timely converted, or that a failure by another company's system to be Year 2000 compliant would not have a material adverse affect on the Company's business, operating results and financial condition.

PART II. OTHER INFORMATION

Item 6. Exhibits

(a) Exhibits

27 - Financial Data Schedule

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.

ALEXION PHARMACEUTICALS, INC.

Date: May 29, 1998

By: /s/ LEONARD BELL, M.D.

Leonard Bell, M.D.
President and Chief Executive Officer, Secretary and Treasurer (principal executive officer)

Date: May 29, 1998

By: /s/ DAVID W. KEISER

David W. Keiser
Executive Vice President and Chief Operating Officer (principal financial officer)

Date: May 29, 1998

By: /s/ BARRY P. LUKE

Barry P. Luke
Senior Director of Finance and Administration (principal accounting officer)

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET, THE STATEMENT OF OPERATIONS, AND THE STATEMENT OF CASH FLOWS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS. ALL PREVIOUSLY REPORTED NET EARNINGS (LOSS) PER COMMMON SHARE ARE UNAFFECTED BY THE ADOPTION OF SFAS NO. 128, WITH THE EXCEPTION OF THE QUARTER ENDED OCTOBER 31, 1997. RESTATED BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ARE $0.15 AND $0.13, RESPECTIVELY, FOR THE QUARTER ENDED OCTOBER 31, 1997.

<table>
<tr><td>1,000</td></tr>
<tr><td>9-MOS</td></tr>
<tr><td>JUL-31-1998</td></tr>
<tr><td>APR-30-1998</td></tr>
<tr><td>34,837</td></tr>
<tr><td>7,483</td></tr>
<tr><td>0</td></tr>
<tr><td>0</td></tr>
<tr><td>0</td></tr>
<tr><td>42,726</td></tr>
<tr><td>4,553</td></tr>
<tr><td>(2,470)</td></tr>
<tr><td>45,222</td></tr>
<tr><td>2,309</td></tr>
<tr><td>0</td></tr>
<tr><td>0</td></tr>
<tr><td>0</td></tr>
<tr><td>1</td></tr>
<tr><td>42,913</td></tr>
<tr><td>45,222</td></tr>
<tr><td>0</td></tr>
<tr><td>4,547</td></tr>
<tr><td>0</td></tr>
<tr><td>10,232</td></tr>
<tr><td>0</td></tr>
<tr><td>0</td></tr>
<tr><td>(1,534)</td></tr>
<tr><td>(4,151)</td></tr>
<tr><td>0</td></tr>
<tr><td>(4,151)</td></tr>
<tr><td>0</td></tr>
<tr><td>0</td></tr>
<tr><td>0</td></tr>
<tr><td>(4,151)</td></tr>
<tr><td>(0.52)</td></tr>
<tr><td>(0.52)</td></tr>
</table>