

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

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

Date of report (Date of earliest event reported): October 24, 2013

ALEXION PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware

**(State or other jurisdiction of
of incorporation or organization)**

000-27756

**(Commission
File Number)**

13-3648318

**(I.R.S. Employer
Identification No.)**

352 Knotter Drive, Cheshire, Connecticut 06410

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (203) 272-2596

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On October 24, 2013, Alexion Pharmaceuticals, Inc. issued a press release relating to its results of operations and financial conditions for the quarter ended September 30, 2013. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K.

The attached press release contains both U.S. Generally Accepted Accounting Principles, or GAAP, and non-GAAP financial measures. The non-GAAP financial measures exclude the impact of share-based compensation expense, acquisition-related costs, amortization of purchased intangible assets, intellectual property settlements, upfront and milestone payments related to licensing and collaboration agreements, intangible asset impairments, non-cash taxes, and taxes related to acquisition structuring. Reconciliations between non-GAAP and GAAP financial measures are included in the press release set forth as Exhibit 99.1 furnished to this Form 8-K. Alexion's management utilizes non-GAAP financial information to provide a useful measure of comparative operating performance of Alexion. The non-GAAP financial measures are supplemental to and not a substitute for, measures of financial performance prepared in accordance with GAAP.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release issued by Alexion Pharmaceuticals, Inc. on October 24, 2013 relating to its results of operations and financial conditions for the quarter ended September 30, 2013.

Signature

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.

Date: October 24, 2013

ALEXION PHARMACEUTICALS, INC.

By: /s/ Michael V. Greco

Name: Michael V. Greco

Title: Vice President of Law and Corporate Secretary



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Alexion Reports Third Quarter 2013 Results

*Soliris® (eculizumab) Net Product Sales Increased 36 Percent
to \$400.4 million*

Steady Soliris Growth in PNH Worldwide

aHUS Launch Progresses in US and Europe; Japan Launch Begins in Q4

Guidance Revised Upward for 2013 Revenues and Non-GAAP EPS

*Strong Progress in Pipeline Programs, cPMP Replacement Therapy Receives FDA Breakthrough
Therapy Designation*

Third Quarter 2013 Financial Highlights:

- Q3 2013 net product sales increased 36 percent to \$400.4 million, compared to \$294.1 million in Q3 2012.
- Q3 2013 GAAP net income increased to \$93.8 million, or \$0.47 per share, compared to net income of \$92.2 million, or \$0.46 per share, in Q3 2012. Q3 2013 GAAP EPS included a decrease of \$0.10 per share related to expenses from both a license agreement and a litigation settlement. Q3 2012 GAAP EPS included an increase of \$0.13 per share related to the net effect of an intellectual property settlement and an impairment loss.
- Q3 2013 non-GAAP net income increased 39 percent to \$167.9 million, or \$0.83 per share, compared to Q3 2012 non-GAAP net income of \$120.7 million, or \$0.60 per share.

CHESHIRE, Conn. --October 24, 2013-- Alexion Pharmaceuticals, Inc. (NASDAQ: ALXN) today announced financial results for the three and nine months ended September 30, 2013. The

Company reported net product sales of Soliris® (eculizumab) of \$400.4 million in the third quarter of 2013, an increase of 36 percent from the same period in 2012.

Revenue performance for the quarter reflected steady additions of new patients with paroxysmal nocturnal hemoglobinuria (PNH) globally, and an increasing number of new patients with atypical hemolytic uremic syndrome (aHUS) commencing Soliris treatment in the US and Europe.

"In the third quarter, we continued our strong and ongoing global performance with Soliris in PNH and were pleased to provide Soliris to a steadily growing number of new patients with aHUS in the United States as well as an increasing number of patients with aHUS in Europe. In addition, we were pleased to receive our aHUS approval in Japan," said Leonard Bell, M.D., Chief Executive Officer of Alexion. "Key pipeline initiatives, including our asfotase alfa program in HPP, our Soliris programs in kidney transplant and our cPMP replacement therapy program, reached new milestones in Q3. In Q4, we are further expanding our commercial and clinical initiatives as we prepare for further growth in 2014."

Third Quarter 2013 Financial Results:

Alexion's non-GAAP operating results are GAAP operating results adjusted for the impact of certain items described below. A full reconciliation of GAAP to non-GAAP financial results is included later in this press release.

Third Quarter 2013 Non-GAAP Financial Results:

The Company reported non-GAAP net income of \$167.9 million, or \$0.83 per share, in the third quarter of 2013, compared to non-GAAP net income of \$120.7 million, or \$0.60 per share, in the third quarter of 2012.

Alexion's non-GAAP operating expenses for Q3 2013 were \$178.8 million, compared to \$130.9 million for Q3 2012. Non-GAAP research and development (R&D) expenses for Q3 2013 were \$68.9 million, compared to \$50.6 million for Q3 2012. Non-GAAP selling, general and administrative (SG&A) expenses for Q3 2013 were \$109.9 million, compared to \$80.3 million for Q3 2012.

Third Quarter 2013 GAAP Financial Results:

Alexion reported GAAP net income of \$93.8 million, or \$0.47 per share, in the third quarter of 2013, compared to GAAP net income of \$92.2 million, or \$0.46 per share, in the third quarter of 2012.

Q3 2013 GAAP results included a decrease of \$20.7 million, or \$0.10 per share, related to expenses from both a license agreement and a litigation settlement. Q3 2012 GAAP results included an increase of \$27.1 million, or \$0.13 per share, related to the net effect of an intellectual property settlement and an impairment loss.

On a GAAP basis, operating expenses for Q3 2013 were \$213.8 million, compared to \$171.6 million for Q3 2012. GAAP R&D expenses for Q3 2013 were \$88.2 million, compared to \$54.3 million for Q3 2012. GAAP SG&A expenses were \$122.9 million for Q3 2013, compared to \$90.0 million for Q3 2012.

Balance Sheet:

As of September 30, 2013, the Company had \$1.30 billion in cash, cash equivalents and marketable securities compared to \$1.12 billion at June 30, 2013.

Research and Development Progress:

Alexion currently has development programs underway with its five highly innovative therapeutic candidates: eculizumab (Soliris) and four additional novel therapeutic candidates that have the potential to become first-in-class therapies for patients with severe and ultra-rare disorders.

Ultra-Rare Disease Programs With Eculizumab

- **Neurology: Neuromyelitis Optica (NMO)** - Alexion will commence a single, multinational, placebo-controlled, registration trial in relapsing NMO.
- **Neurology: Myasthenia Gravis (MG)** - Alexion will commence a single, multinational, placebo-controlled, registration trial in severe, refractory MG.
- **Transplant: Antibody-Mediated Rejection (AMR)** - During the quarter, researchers presented preliminary data from the Company-sponsored, multinational deceased-donor kidney transplant trial in patients at elevated risk of AMR. Enrollment in the Company-sponsored, multinational living-donor kidney transplant trial in patients at elevated risk of AMR is ongoing.
- **Transplant: Delayed Graft Function (DGF)** - Based on recent regulatory discussions, Alexion now plans to conduct a single multinational, placebo-controlled, registration trial in patients at risk for DGF
- **Nephrology: STEC-HUS** - The Company continues to analyze longer-term control clinical outcome data from an epidemiologic study in approximately 400 STEC-HUS patients who received only best supportive care during the earlier German epidemic.

Ultra-Rare Disease Programs with Additional Highly Innovative Therapeutics

- **Asfotase Alfa:** Alexion is developing asfotase alfa as a treatment for pediatric-onset hypophosphatasia (HPP), an ultra-rare, inherited and life-threatening metabolic disease. During the quarter, researchers presented data from the ongoing study of asfotase alfa in infants and young children with HPP. The Company completed its initial analysis of its natural history study in infants with HPP. The Company received Breakthrough Therapy designation for asfotase alfa in pediatric-onset HPP in Q2 2013.
- **cPMP Replacement Therapy (ALXN 1101):** Alexion is developing cPMP as a treatment for patients with Molybdenum Cofactor Deficiency (MoCD) Type A, a severe, ultra-rare and genetic metabolic disorder that causes catastrophic and irreversible neurologic damage within the first few weeks of life. Alexion has initiated a natural history study in patients with MoCD Type A and has also completed dosing with the synthetic cPMP in a study in healthy volunteers. The Company received Breakthrough Therapy designation for cPMP replacement therapy for patients with MoCD Type A, as announced earlier today.
- **ALXN1007:** Alexion has commenced a multi-dose Phase I clinical study of ALXN1007, a novel anti-inflammatory antibody, in healthy volunteers. The Company is preparing to commence a multi-dose Phase II proof-of-concept study of ALXN1007.

- **ALXN1102/1103:** Enrollment continues in a Phase I study to characterize the mechanism of action and develop initial safety data for ALXN1102 and ALXN1103, different formulations of one of Alexion's novel complement inhibitors.

2013 Financial Guidance:

Alexion today announced that it is raising its 2013 revenue guidance from the previous range of \$1.520 to \$1.530 billion, now to the higher and narrower range of \$1.535 to \$1.540 billion. The upward revision reflects continued global growth of Soliris in PNH and growth from the ongoing launch of Soliris in aHUS. Guidance for 2013 non-GAAP EPS is also being revised upward, from the previous range of \$2.97 to \$3.02, now to the higher and narrower range of \$3.02 to \$3.04, based on a forecast of approximately 203 million diluted shares outstanding. Guidance for R&D is being narrowed from the previous range of \$275 to \$285 million now to \$280 to \$285 million. SG&A is also being narrowed from the previous range of \$435 to \$445 million now to \$440 to \$445 million.

Other items of 2013 guidance provided in the Company's press release of July 25, 2013 are being reiterated today. The Company's non-GAAP effective tax rate, reported on a cash tax liability basis, is expected to be 6 to 8 percent. The Company's GAAP effective tax rate is expected to be in the range of 29 to 31 percent. The Company's share-based compensation expense for the year is expected to be \$76 to \$78 million. Cost of sales is expected to be approximately 10 percent of net product sales.

Conference Call/Webcast Information:

Alexion will host a conference call/audio webcast to discuss matters mentioned in this release. The call is scheduled for today, October 24, at 10:00 a.m., Eastern Time. To participate in this call, dial 800-289-0438 (USA) or 913-312-0706 (International), passcode 3882932, shortly before 10:00 a.m., Eastern Time. A replay of the call will be available for a limited period following the call, beginning at 1:00 PM, Eastern Time. The replay number is 888-203-1112 (USA) or 719-457-0820 (International), passcode 3882932. The audio webcast can be accessed at www.alexionpharma.com

About Soliris:

Soliris is a first-in-class terminal complement inhibitor developed from the laboratory through regulatory approval and commercialization by Alexion. Soliris is approved in the US, European Union, Japan and other countries as the first and only treatment for patients with paroxysmal nocturnal hemoglobinuria (PNH), a debilitating, ultra-rare and life-threatening blood disorder, characterized by complement-mediated hemolysis (destruction of red blood cells). Soliris is indicated to reduce hemolysis. Soliris is also approved in the US, European Union, and Japan as the first and only treatment for patients with atypical hemolytic uremic syndrome (aHUS), a debilitating, ultra-rare and life-threatening genetic disorder characterized by complement-mediated thrombotic microangiopathy, or TMA (blood clots in small vessels). Soliris is indicated to inhibit complement-mediated TMA. The effectiveness of Soliris in aHUS is based on the effects on TMA and renal function. Prospective clinical trials in additional patients are ongoing to confirm the benefit of Soliris in patients with aHUS. Soliris is not indicated for the treatment of patients with Shiga toxin E. coli related hemolytic uremic syndrome (STEC-HUS). For the breakthrough innovation in complement inhibition, Alexion and Soliris have received the pharmaceutical industry's highest honors: the 2008 Prix Galien USA Award for Best Biotechnology Product with broad implications for future biomedical research and the 2009 Prix Galien France Award in the category of Drugs for Rare Diseases. More information including the full prescribing information on Soliris is available at www.soliris.net.

About Alexion:

Alexion Pharmaceuticals, Inc. is a biopharmaceutical company focused on serving patients with severe and ultra-rare disorders through the innovation, development and commercialization of life-transforming therapeutic products. Alexion is the global leader in complement inhibition and has developed and markets Soliris® (eculizumab) as a treatment for patients with PNH and aHUS, two debilitating, ultra-rare and life-threatening disorders caused by chronic uncontrolled complement activation. Soliris is currently approved in nearly 50 countries for the treatment of PNH, and in the United States, European Union, Japan and other countries for the treatment of aHUS. Alexion is evaluating other potential indications for Soliris in additional severe and ultra-rare disorders beyond PNH and aHUS, and is developing other highly innovative biotechnology product candidates across multiple therapeutic areas. This press release and further information about Alexion Pharmaceuticals, Inc. can be found at: www.alexionpharma.com.

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This news release contains forward-looking statements, including statements related to guidance regarding anticipated financial results for 2013, assessment of the Company's financial position and commercialization efforts, medical benefits and commercial potential for Soliris for PNH and aHUS and other potential indications, medical and commercial potential of Alexion's complement-inhibition technology and other technologies, and plans for clinical programs for each of our product candidates. Forward-looking statements are subject to factors that may cause Alexion's results and plans to differ from those expected, including for example, decisions of regulatory authorities regarding marketing approval or material limitations on the marketing of Soliris for PNH and aHUS and other potential indications, delays, interruptions or failures in the manufacture and supply of Soliris and our product candidates, progress in establishing and developing commercial infrastructure, failure to satisfactorily address the issues raised by the FDA in the Warning Letter received by Alexion in March 2013, the possibility that results of clinical trials are not predictive of safety and efficacy results of Soliris in broader patient populations in the disease studied or other diseases, the risk that acquisitions will not result in short-term or long-term benefits, the possibility that current results of commercialization are not predictive of future rates of adoption of Soliris in PNH, aHUS or other diseases, the possibility that clinical trials of our product candidates could be delayed or that additional research and testing is required by regulatory agencies, the risk that third party payors (including governmental agencies) will not reimburse or continue to reimburse for the use of Soliris at acceptable rates or at all, the risk that estimates regarding the number of patients with PNH, aHUS or other diseases are inaccurate, and a variety of other risks set forth from time to time in Alexion's filings with the US Securities and Exchange Commission, including but not limited to the risks discussed in Alexion's Quarterly Report on Form 10-Q for the period ended June 30, 2013 and in our other filings with the US Securities and Exchange Commission. Alexion does not intend to update any of these forward-looking statements to reflect events or circumstances after the date hereof, except when a duty arises under law.

In addition to financial information prepared in accordance with GAAP, this news release also contains non-GAAP financial measures that Alexion believes, when considered together with the GAAP information, provide investors and management with supplemental information relating to performance, trends and prospects that promote a more complete understanding of our operating results and financial position during different periods. The non-GAAP results exclude the impact of the following GAAP items: share-based compensation expense, acquisition-related costs, amortization of purchased intangible assets, intellectual property

settlements, upfront and milestone payments related to license and collaboration agreements, intangible asset impairments, non-cash taxes, and taxes related to acquisition structuring. These non-GAAP financial measures are not intended to be considered in isolation or as a substitute for, or superior to, the financial measures prepared and presented in accordance with GAAP and should be reviewed in conjunction with the relevant GAAP financial measures. Please refer to the attached Reconciliation of GAAP to Non-GAAP Net Income for explanations of the amounts adjusted to arrive at non-GAAP net income and non-GAAP earnings per share amounts for the three and nine month periods ended September 30, 2013 and 2012.

- TABLES FOLLOW -

ALEXION PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

| | Three months ended | | Nine months ended | |
|---|--------------------|------------|-------------------|------------|
| | September 30 | | September 30 | |
| | 2013 | 2012 | 2013 | 2012 |
| Net product sales | \$ 400,405 | \$ 294,136 | \$ 1,109,437 | \$ 813,588 |
| Cost of sales: | | | | |
| Cost of sales | 42,177 | 33,186 | 116,823 | 93,067 |
| Change in contingent liability from intellectual property settlements | 9,181 | (53,377) | 9,181 | (53,377) |
| Total cost of sales | 51,358 | (20,191) | 126,004 | 39,690 |
| Operating expenses: | | | | |
| Research and development | 88,209 | 54,280 | 231,308 | 159,323 |
| Selling, general and administrative | 122,886 | 89,957 | 354,901 | 272,054 |
| Acquisition-related costs | 2,573 | 967 | 6,974 | 19,447 |
| Impairment of intangible asset | — | 26,300 | — | 26,300 |
| Amortization of purchased intangible assets | 104 | 104 | 312 | 312 |
| Total operating expenses | 213,772 | 171,608 | 593,495 | 477,436 |
| Operating income | 135,275 | 142,719 | 389,938 | 296,462 |
| Other income and expense | (987) | (1,954) | (1,646) | (6,165) |
| Income before income taxes | 134,288 | 140,765 | 388,292 | 290,297 |
| Income tax provision | 40,503 | 48,586 | 116,405 | 116,446 |
| Net income | \$ 93,785 | \$ 92,179 | \$ 271,887 | \$ 173,851 |
| Earnings per common share | | | | |
| Basic | \$ 0.48 | \$ 0.48 | \$ 1.40 | \$ 0.92 |
| Diluted | \$ 0.47 | \$ 0.46 | \$ 1.37 | \$ 0.88 |
| Shares used in computing earnings per common share | | | | |
| Basic | 195,662 | 193,353 | 194,520 | 189,219 |
| Diluted | 199,711 | 201,142 | 198,655 | 197,635 |

ALEXION PHARMACEUTICALS, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL RESULTS
(in thousands, except per share amounts)
(unaudited)

| | Three months ended | | Nine months ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | September 30 | | September 30 | |
| | 2013 | 2012 | 2013 | 2012 |
| Net income reconciliation: | | | | |
| GAAP net income | \$ 93,785 | \$ 92,179 | \$ 271,887 | \$ 173,851 |
| Share-based compensation expense | 21,597 | 14,015 | 56,409 | 40,322 |
| Acquisition-related costs (1) | 2,573 | 967 | 6,974 | 19,447 |
| Amortization of purchased intangible assets | 104 | 104 | 312 | 312 |
| Change in contingent liability from intellectual property settlements (2) | 9,181 | (53,377) | 9,181 | (53,377) |
| Upfront and milestone payments related to license and collaboration agreements (3) | 11,500 | — | 14,500 | — |
| Impairment of intangible asset (4) | — | 26,300 | — | 26,300 |
| Non-cash taxes (5) | 29,173 | 40,550 | 87,194 | 74,207 |
| Tax related to acquisition structuring (6) | — | — | — | 21,812 |
| Non-GAAP net income | <u>\$ 167,913</u> | <u>\$ 120,738</u> | <u>\$ 446,457</u> | <u>\$ 302,874</u> |
| GAAP earnings per share - diluted | <u>\$ 0.47</u> | <u>\$ 0.46</u> | <u>\$ 1.37</u> | <u>\$ 0.88</u> |
| Non-GAAP earnings per share - diluted | <u>\$ 0.83</u> | <u>\$ 0.60</u> | <u>\$ 2.21</u> | <u>\$ 1.52</u> |
| Shares used in computing diluted earnings per share (GAAP) | <u>199,711</u> | <u>201,142</u> | <u>198,655</u> | <u>197,635</u> |
| Shares used in computing diluted earnings per share (non-GAAP) | <u>202,988</u> | <u>202,377</u> | <u>201,886</u> | <u>198,953</u> |

| | Three months ended | | Nine months ended | |
|--|--------------------|------------------|-------------------|-------------------|
| | September 30 | | September 30 | |
| | 2013 | 2012 | 2013 | 2012 |
| Cost of sales reconciliation: | | | | |
| GAAP cost of sales | \$ 51,358 | \$ (20,191) | \$ 126,004 | \$ 39,690 |
| Share-based compensation expense | (757) | (664) | (2,349) | (1,939) |
| Change in contingent liability from intellectual property settlements (2) | (9,181) | 53,377 | (9,181) | 53,377 |
| Non-GAAP cost of sales | <u>\$ 41,420</u> | <u>\$ 32,522</u> | <u>\$ 114,474</u> | <u>\$ 91,128</u> |
| Research and development reconciliation: | | | | |
| GAAP research and development | \$ 88,209 | \$ 54,280 | \$ 231,308 | \$ 159,323 |
| Share-based compensation expense | (7,803) | (3,643) | (17,961) | (10,373) |
| Upfront and milestone payments related to license and collaboration agreements (3) | (11,500) | — | (14,500) | — |
| Non-GAAP research and development | <u>\$ 68,906</u> | <u>\$ 50,637</u> | <u>\$ 198,847</u> | <u>\$ 148,950</u> |
| Selling, general and administrative reconciliation: | | | | |
| GAAP selling, general and administrative | \$ 122,886 | \$ 89,957 | \$ 354,901 | \$ 272,054 |
| Share-based compensation expense | (13,037) | (9,708) | (36,099) | (28,010) |
| Non-GAAP selling, general and administrative | <u>\$ 109,849</u> | <u>\$ 80,249</u> | <u>\$ 318,802</u> | <u>\$ 244,044</u> |
| Income tax provision reconciliation: | | | | |
| GAAP income tax provision | \$ 40,503 | \$ 48,586 | \$ 116,405 | \$ 116,446 |
| Non-cash taxes (5) | (29,173) | (40,550) | (87,194) | (74,207) |
| Tax related to acquisition structuring (6) | — | — | — | (21,812) |
| Non-GAAP income tax provision | <u>\$ 11,330</u> | <u>\$ 8,036</u> | <u>\$ 29,211</u> | <u>\$ 20,427</u> |

- (1) The following table summarizes acquisition-related costs:

| | Three months ended September 30 | | Six months ended September 30 | |
|---|------------------------------------|---------------|----------------------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Separately-identifiable employee costs | \$ — | \$ 457 | \$ 248 | \$ 3,552 |
| Professional fees | — | 1,052 | 775 | 11,562 |
| Changes in fair value of contingent consideration | 2,573 | (542) | 5,951 | 4,333 |
| | <u>\$ 2,573</u> | <u>\$ 967</u> | <u>\$ 6,974</u> | <u>\$ 19,447</u> |

- (2) In October 2013, the Company entered into a litigation settlement and license agreement, which resulted in an increase of \$9.2 million in cost of sales.

In October 2012, the Company entered into an intellectual property settlement and license agreement, which resulted in a decrease of \$53.4 million in cost of sales.

- (3) In July 2013, the Company entered into a license and collaboration agreement for the identification, development, and commercialization of therapeutic candidates based on specific drug targets. Under the terms of the agreement, the Company recorded research and development expense for an upfront payment of \$11.5 million.

In January 2013, the Company entered into a license agreement for specific targets and products to be developed. Under the terms of the agreement, the Company recorded research and development expense for an upfront payment of \$3.0 million.

- (4) During the three months ended September 30, 2012, the Company recorded an impairment of an intangible asset of \$26.3 million related to a preclinical program.
- (5) Non-cash taxes represents the adjustment from GAAP tax expense to the amount of taxes that are payable in cash. The adjustment includes tax amounts that are not currently payable in cash due to the continued utilization of our US net operating losses and credits.
- (6) The tax provision for the nine months ended September 30, 2012 includes tax expense of \$21.8 million related to the structuring of the Enobia acquisition.

ALEXION PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

| | September 30, | December 31, |
|---|----------------------|---------------------|
| | 2013 | 2012 |
| Cash and cash equivalents | \$ 910,411 | \$ 989,501 |
| Marketable securities | 392,344 | — |
| Trade accounts receivable, net | 404,956 | 295,598 |
| Inventories | 105,196 | 94,521 |
| Deferred tax assets, current | 23,820 | 26,086 |
| Other current assets | 78,775 | 89,894 |
| Property, plant and equipment, net | 178,842 | 165,629 |
| Deferred tax assets, noncurrent | 9,743 | 13,954 |
| Intangibles assets, net | 646,138 | 646,678 |
| Goodwill | 254,073 | 253,645 |
| Other noncurrent assets | 45,497 | 38,054 |
| Total assets | \$ 3,049,795 | \$ 2,613,560 |
| Accounts payable and accrued expenses | \$ 280,200 | \$ 271,275 |
| Current portion of long-term debt | 48,000 | 48,000 |
| Other current liabilities | 67,256 | 40,814 |
| Long-term debt, less current portion | 77,000 | 101,000 |
| Contingent consideration | 144,621 | 139,002 |
| Other noncurrent liabilities | 77,952 | 42,619 |
| Total liabilities | 695,029 | 642,710 |
| | | |
| Total stockholders' equity | 2,354,766 | 1,970,850 |
| Total liabilities and stockholders' equity | \$ 3,049,795 | \$ 2,613,560 |