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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934:**

For the quarterly period ended April 30, 2004

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.)**

352 Knotter Drive, Cheshire, Connecticut 06410
(Address of principal executive offices) (Zip Code)

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

N/A
(Former name, former address, and former fiscal year, if changed)

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 ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ☒ No ☐

Common Stock, $0.0001 par value	22,020,751 shares
Class	**Outstanding at June 1, 2004**

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ALEXION PHARMACEUTICALS, INC.

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Consolidated Balance Sheets
(UNAUDITED)
(amounts in thousands)

	April 30, 2004	July 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 74,560	$ 24,844
Marketable securities	129,613	190,566
Reimbursable contract costs	64	390
State tax receivable	1,121	1,012
Prepaid expenses and other current assets	3,444	2,948
Total current assets	208,802	219,760
Property, plant, and equipment, net	10,270	12,276
Assets held for sale	1,210	—
Goodwill	19,954	19,954
Deferred financing costs, net	1,690	2,119
Prepaid manufacturing costs	10,000	10,000
Other assets	1,339	1,968
TOTAL ASSETS	**$ 253,265**	**$ 266,077**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,476	$ 7,560
Accrued expenses	3,559	4,312
Accrued interest	1,098	2,646
Deferred revenue	589	589
Deferred research and development payments	188	—
Note payable (see Note 9)	3,920	—
Total current liabilities	13,830	15,107
Deferred revenue, less current portion included above	6,323	6,764
Deferred research and development payments, less current portion included above	1,250	—
Note payable (see Note 9)	—	3,920
Convertible subordinated notes	120,000	120,000
Total liabilities	141,403	145,791
Commitments and contingencies (see Note 12)		
Stockholders' Equity:		
Preferred stock $.0001 par value; 5,000 shares authorized; no shares issued or outstanding	—	—
Common stock $.0001 par value; 145,000 shares authorized; 22,057 and 18,257 shares issued at April 30, 2004 and July 31, 2003, respectively	2	2
Additional paid-in capital	431,799	385,498
Accumulated deficit	(319,238)	(265,266)
Other comprehensive income (loss)	(101)	652
Treasury stock, at cost; 37 shares	(600)	(600)
Total stockholders' equity	111,862	120,286
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 253,265**	**$ 266,077**

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

ALEXION PHARMACEUTICALS, INC.
Consolidated Statements of Operations
(UNAUDITED)
(amounts in thousands, except per share amounts)

	Three months ended April 30,		Nine months ended April 30,	
	2004	2003	2004	2003
CONTRACT RESEARCH REVENUES	$ 168	$ 167	$ 462	$ 710
OPERATING EXPENSES				
Research and development	10,792	14,110	42,004	52,454
General and administrative	3,569	2,732	9,683	7,727
Impairment of fixed assets	—	2,560	—	2,560
Total operating expenses	14,361	19,402	51,687	62,741
Operating loss	(14,193)	(19,235)	(51,225)	(62,031)
OTHER INCOME AND EXPENSE				
Investment income	720	1,191	2,715	4,735
Interest expense	(1,926)	(1,930)	(5,781)	(5,783)
Loss before state tax benefit	(15,399)	(19,974)	(54,291)	(63,079)
State tax benefit	186	196	319	196
Net loss	$ (15,213)	$ (19,778)	$ (53,972)	$ (62,883)
BASIC AND DILUTED NET LOSS PER SHARE	$ (0.69)	$ (1.09)	$ (2.54)	$ (3.45)
SHARES USED IN COMPUTING BASIC AND DILUTED NET LOSS PER COMMON SHARE	21,969	18,210	21,268	18,207

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

ALEXION PHARMACEUTICALS, INC.
Consolidated Statements Of Cash Flows
(UNAUDITED)
(amounts in thousands)

	Nine months ended April 30,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (53,972)	$ (62,883)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment of fixed assets	—	2,560
Depreciation and amortization	2,547	2,777
Compensation expense related to grant of stock options	115	97
Change in assets and liabilities:		
Reimbursable contract costs	326	(530)
State tax receivable	(109)	—
Prepaid expenses	(496)	(1,069)
Other assets	603	(125)
Prepaid manufacturing costs	—	(7,250)
Accounts payable	(3,084)	(7,597)
Accrued expenses	(753)	757
Accrued interest	(1,548)	(1,706)
Deferred revenue	(441)	(398)
Deferred research and development payments	1,438	—
Net cash used in operating activities	(55,374)	(75,398)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of marketable securities	(122,566)	(65,327)
Proceeds from maturity or sale of marketable securities	182,766	156,226
Investments in patents and licensed technology	(5)	(31)
Purchases of property, plant and equipment	(1,291)	(1,955)
Net cash provided by investing activities	58,904	88,944
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of common stock	46,186	88
Net cash provided by financing activities	46,186	88
NET INCREASE IN CASH AND CASH EQUIVALENTS	49,716	13,634
CASH AND CASH EQUIVALENTS, beginning of period	24,844	47,574
CASH AND CASH EQUIVALENTS, end of period	$ 74,560	$ 61,208
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 6,900	$ 7,076

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

ALEXION PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and Operations -

Alexion Pharmaceuticals, Inc. ("Alexion") was organized in 1992 and is engaged in the discovery and development of therapeutic products for the treatment of a wide array of severe disease states, including hematologic, cardiovascular, and autoimmune disorders, inflammation, and cancer.

The accompanying consolidated financial statements include Alexion Pharmaceuticals, Inc. and our wholly owned subsidiaries, Alexion Antibody Technologies ("AAT") and Columbus Farming Corporation ("CFC"). All significant inter-company balances and transactions have been eliminated in consolidation. With the abandonment of our UniGraft xenotransplantation research and development program in fiscal 2003, CFC activities were suspended (see Note 9).

The consolidated financial statements included herein have been prepared by us, 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. Certain amounts in the fiscal 2003 financial statements have been reclassified to conform to the fiscal 2004 presentation. These consolidated condensed financial statements should be read in conjunction with the audited financial statements and notes thereto included in our Form 10-K Annual Report for the fiscal year ended July 31, 2003, as amended. The year-end balance sheet data presented does not include all disclosures required by accounting principles generally accepted in the United States of America.

2. Accounting for Stock-Based Compensation -

As permitted by Statement of Financial Accounting Standards ("SFAS") No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of SFAS 123", we account for our stock-based compensation awards using the intrinsic method and disclose the effect on the net loss per share as if the fair value method had been used.

At April 30, 2004, we have two stock-based compensation plans for employees, directors and consultants of Alexion. We account for the plans under the recognition and measurement principles of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations.

The following table illustrates the effect on net loss and net loss per share if we had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation for the three and nine months ended April 30, 2004 and 2003 (dollars in thousands, except per share amounts):

	Three months ended April 30,		Nine months ended April 30,	
	2004	2003	2004	2003
Net loss, as reported	$ (15,213)	$ (19,778)	$ (53,972)	$ (62,883)
Add: Stock-based employee compensation expense included in reported net loss	16	25	48	75
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	(3,673)	(3,802)	(10,765)	(11,880)
Pro forma net loss	$ (18,870)	$ (23,555)	$ (64,689)	$ (74,688)
Net loss per share:				
Basic and diluted - as reported	$ (0.69)	$ (1.09)	$ (2.54)	$ (3.45)
Basic and diluted - pro forma	$ (0.86)	$ (1.29)	$ (3.04)	$ (4.10)

ALEXION PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The table does not include non-employee compensation expense of $23,000 and $67,000 for the three and nine months ended April 30, 2004, respectively as well as $4,000 and $25,000 for the three and nine months ended April 30, 2003, respectively.

The effects of applying the fair value recognition provisions of SFAS No. 123 in this pro forma disclosure are not necessarily indicative of future amounts.

3. Issuance of Common Stock -

In September 2003, we sold 3.6 million shares of our common stock at a price of $13.00 per share resulting in net proceeds of approximately $43.9 million, net of underwriting discounts, fees and other expenses of approximately $2.9 million related to the transaction. We have been using and will continue to use the net proceeds of the sale of common stock to fund working capital and other general corporate purposes, including additional clinical trials of pexelizumab and eculizumab, as well as other research and product development activities.

4. Procter & Gamble Pharmaceuticals Collaboration -

In January 1999, we and Procter & Gamble Pharmaceuticals (“P&G”) entered into an exclusive collaboration to develop and commercialize pexelizumab. We granted P&G an exclusive license to our intellectual property related to pexelizumab, with the right to sublicense. We are recognizing a non-refundable up-front license fee of $10 million related to the P&G collaboration as revenue over 17 years representing the average of the remaining patent lives of the underlying technologies at the time the payment was received in fiscal 1999.

In December 2001, we and P&G entered into a binding memorandum of understanding (“MOU”) pursuant to which the January 1999 collaboration was revised. Under the revised structure per the MOU, we and P&G share decision-making and responsibility for all future U.S. development and commercialization costs for pexelizumab, including clinical, manufacturing, marketing, and sales efforts. Prior to December 2001, under the original collaboration, P&G was generally funding all clinical development and manufacturing costs relating to pexelizumab for the treatment of inflammation associated with cardiopulmonary bypass surgery and heart attack. The revised collaboration per the MOU provides that we and P&G each incur approximately 50% of all Phase III clinical trial, product development and manufacturing, and commercialization costs necessary for the potential approval and marketing of pexelizumab in the U.S. and that we will receive approximately 50% of the gross margin on U.S. sales, if any. P&G agreed to retain responsibility for future development and commercialization costs outside the U.S., with us receiving a royalty on sales outside the U.S., if any. We are responsible for royalties on certain third party intellectual property worldwide, if such intellectual property is necessary. Additionally, as part of the MOU, we will receive milestone payments for achieving specified development steps, regulatory filings and approvals.

We agreed to bear the first 50% of projected costs associated with the completed Phase III clinical trial (called “PRIMO-CABG”) in coronary artery bypass graft surgery (“CABG”) and P&G agreed to bear the second 50% as part of our revised collaboration. During the quarter ended October 31, 2003, we and P&G both completed each of our obligations with respect to the originally projected costs. Additional costs incurred over the original projected costs were shared equally by us and P&G. Reimbursements received by us from P&G in connection with P&G’s 50% share of our services and related personnel were recorded as a reduction of research and development expense. As part of the revised collaboration per the MOU, P&G funded 100% of the costs for the two acute myocardial infarction (“AMI”) Phase II clinical trials in myocardial infarction, or heart attack, patients.

We and P&G have agreed, as per the MOU, that each will share concurrently 50% of the ongoing U.S. pre-production and development manufacturing costs for pexelizumab as well as any future AMI or CABG Phase III clinical trial costs.

ALEXION PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

P&G has the right to terminate the collaboration or sublicense its rights at any time. If P&G terminates the collaboration, as per the MOU, P&G is required to contribute its share of agreed to obligations and costs incurred prior to the termination, but may not be required to contribute towards obligations incurred after termination. In such circumstance, as per the MOU, all rights and the exclusive license to our intellectual property related to pexelizumab would revert back to us and we would be entitled to all future pexelizumab revenues, if any, without any sharing of revenues, if any, with P&G. If P&G were to sublicense its rights, the sublicensee would be required to assume all of P&G's obligations under the collaboration.

Under terms of our MOU we may be obligated to reimburse P&G for 50% of cancellation costs under P&G's third-party pexelizumab manufacturing contract. Our portion of those cancellation costs could amount to as much as $9.8 million.

5. XOMA Ltd. Collaboration

In December 2003, we and XOMA (U.S.) LLC ("XOMA") entered into a collaborative agreement for the development and commercialization of a rationally designed human c-MPL agonist antibody to treat chemotherapy-induced thrombocytopenia. Thrombocytopenia is an abnormal blood condition in which the number of platelets is reduced, potentially leading to bleeding complications. The compound was discovered at AAT and is in pre-clinical development. The c-MPL antibody was designed to mimic the activity of human thrombopoietin, a naturally occurring protein responsible for platelet production. The collaboration will initially focus on preclinical, process development and scale-up work in preparation for future clinical testing.

Under the terms of the agreement, we and XOMA will jointly develop and commercialize the c-MPL agonist antibody for chemotherapy-induced thrombocytopenia. We will share development and commercialization expenses, clinical development, manufacturing and marketing costs world-wide, as well as revenues, on generally a 70 – 30 basis, with us retaining the larger portion. In addition, we received a $1.5 million upfront non-refundable payment upon initiation of the collaboration and will receive a similar sized payment upon the achievement of a regulatory milestone. We are recognizing the $1.5 million upfront payment as a reduction of research and development expenses over 8 years, which represents the estimated length of time to achieve commercial viability. XOMA will be entitled to royalty payments and milestones from Alexion related to its bacterial cell expression technology.

6. Revenues -

Our fiscal 2004 revenue primarily reflects the amortization of deferred revenue resulting from cash received from P&G (see Note 4). The prior fiscal year includes deferred revenue from P&G and revenue from government grants.

We record contract research revenues from research and development support payments, license fees and milestone payments under collaboration with third parties, and amounts received from various government grants. We evaluate all deliverables in our collaborative agreements to determine whether they represent separate units of accounting. Deliverables qualify for separate accounting treatment if they have standalone value to the customer and if there is objective evidence of fair value. Up-front, non-refundable license fees received in connection with a collaboration are deferred and amortized into revenue over the life of the agreement or underlying technologies. Revenues derived from the achievement of milestones are recognized when the milestone is achieved, provided that the milestone is substantive and a culmination of the earnings process has occurred. Research and development support revenues are recognized as the related work is performed and expenses are incurred under the terms of the contracts for development activities. Revenues derived from the achievement of milestones or recognition of related work when performed under terms of a contract may cause our operating results to vary considerably from period to period. Deferred revenue results from cash received or amounts receivable in advance of revenue recognition under research and development contracts.

ALEXION PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

7. Net Loss Per Common Share -

We compute and present net loss per common share in accordance with SFAS No. 128, "Earnings Per Share." Basic net loss per common share is based on the weighted average shares of common stock outstanding during the period. Diluted net loss per common share includes, in addition to the above, the dilutive effect of common share equivalents outstanding during the period. Common share equivalents represent dilutive stock options and convertible subordinated debt. These outstanding stock options and convertible subordinated debt entitled holders to acquire 5,732,311 and 5,176,058 shares of common stock at April 30, 2004 and 2003, respectively. There is no difference in basic and diluted net loss per common share for the three and nine months ended April 30, 2004 and 2003 as the effect of common share equivalents is anti-dilutive.

8. Accrued Research and Development Expenses -

Accrued research and development expenses are comprised of amounts owed to suppliers for research and development work performed on our behalf. At each period end we evaluate the accrued expense balance related to these activities based upon information received from the supplier and estimated progress toward completion of the research or development objectives to ensure that the balance is appropriately stated. Such estimates are subject to changes as additional information becomes available. Accrued research and development expenses were $531,000 at April 30, 2004 and $1.1 million at July 31, 2003.

9. Note Payable

In February 1999, CFC purchased substantially all of the assets of the UniGraft xenotransplantation program, including principally, land, buildings and laboratory equipment, from its then partner in the program, U.S. Surgical Corporation, now a division of Tyco International, Ltd. ("Tyco"). The purchase was financed through the issuance by CFC of a $3.9 million note payable to Tyco. Interest on the $3.9 million note payable, at 6% per annum, is payable quarterly by CFC. The xenotransplantation manufacturing assets of CFC that were purchased from Tyco, including the real estate, are pledged as security for this note. The principal balance under the note is due in May 2005, and accordingly was classified as a long-term obligation as of July 31, 2003. However, upon CFC's failure to make its quarterly interest payment due to Tyco in August 2003, CFC defaulted on the note. As a result of the event of default, the note was classified as a current liability as of October 31, 2003 and remains a current liability. We continue to recognize CFC's interest expense on the note payable as such obligations have not been discharged.

In the quarter ended October 31, 2003, in conjunction with the event of default, we notified Tyco that the UniGraft xenotransplantation program and CFC activities had been suspended. CFC is seeking to liquidate itself to fulfill its debt obligation in whole or in part. CFC further notified Tyco that it does not have the funds or assets to satisfy the $3.9 million note. During the quarter ended January 31, 2004, we and Tyco initiated a plan to sell or liquidate CFC's assets in their present condition. If CFC's assets, consisting of property, plant and equipment with a current estimated fair value of $1.2 million, are insufficient to satisfy the $3.9 million note and other obligations of CFC, then the unpaid amount of the note may be discharged debt, recognized as other income in a future period to CFC. As of April 30, 2004 we have classified the property, plant and equipment of CFC as assets held for sale as per the guidelines set forth in SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

10. Convertible Subordinated Notes -

In March 2000, we completed a $120 million private placement of 5.75% Convertible Subordinated Notes due March 15, 2007. The notes bear interest payable semi-annually on September 15 and March 15 of each year, beginning September 15, 2000. The holders may convert all or a portion of the notes into common stock at any time on or before March 15, 2007 at a conversion price of $106.425 per share resulting in the issuance of 1,127,554 shares of common stock, in aggregate. We incurred interest expense of approximately $1.7 million and $5.2 million for the three and nine months ended April 30, respectively, for both 2004 and 2003 related to these notes.

ALEXION PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

We incurred deferred financing costs related to this offering of approximately $4.0 million, which are recorded in the consolidated balance sheet and are being amortized as a component of interest expense over the seven-year term of the notes. Amortization expense associated with the financing costs was approximately $143,000 and $429,000 for the three and nine months ended April 30, respectively, for both 2004 and 2003.

11. Lonza Large-Scale Product Supply Agreement -

The Large-Scale Product Supply Agreement dated December 18, 2002 (the "Agreement") between Lonza Biologics PLC ("Lonza") and Alexion Pharmaceuticals, Inc., relating to the manufacture of our product candidate eculizumab, has been amended (the "Amendment") as of April 9, 2004.

Under the Amendment, the facility in which Lonza will manufacture eculizumab is changed; the manufacturing capacity we are required to purchase is reduced; and future potential payments of $10 million by us to Lonza relating to achievement of eculizumab sales milestones and of up to $15 million by us relating to manufacturing yields achieved by Lonza are eliminated. We will pay Lonza an additional $3.5 million as a non-refundable advance under the Amendment.

In addition, the amounts we would be required to pay in connection with a voluntary termination of the Agreement by us have been changed. Under the Agreement, prior to the Amendment, if we were to terminate the Agreement, we could have been required to complete the purchase of product scheduled for manufacture up to 18 months following termination, or at our election to make a termination payment of up to $25 million, less partial return of the unused portion of prepaid manufacturing costs. Under the Agreement, as amended by the Amendment, if we terminate the Agreement on or prior to September 30, 2006, we may be required to pay different amounts, depending on when the Agreement is terminated, which are between zero and approximately $10 million and, if we terminate the Agreement after September 30, 2006, we may be required to pay for batches of product scheduled for manufacture up to 12 months following termination.

The amounts paid to Lonza in consideration of the Agreement are reflected as prepaid manufacturing costs within the accompanying balance sheet and expect to be recognized as additional manufacturing costs as the batches are manufactured. On a quarterly basis, we evaluate our plans to proceed with production under the agreement which depends upon our clinical development programs' progress as well as commercialization plans. In addition, we evaluate the prepaid manufacturing costs against estimated net realizable value ("NRV"). If estimated NRV is not positive, then all or a portion of the prepaid manufacturing cost may have to be recognized as an expense.

12. Commitments and Contingencies -

In November 2002, the FASB issued FASB Interpretation No. ("FIN") 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others, an interpretation of SFAS Nos. 5, 57 and 107 and Rescission of FIN 34". FIN 45 clarifies the requirements of SFAS No. 5, "Accounting for Contingencies", relating to the guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. Adoption of FIN 45 did not have a material impact on either our operating results or our financial position.

We enter into indemnification provisions under our agreements with other companies in our ordinary course of business, typically with business partners, clinical sites, and suppliers. Pursuant to these agreements, we generally indemnify, hold harmless, and agree to reimburse the indemnified parties for losses suffered or incurred by the indemnified parties in connection with any U.S. patent or any copyright or other intellectual property infringement claim by any third party with respect to our products, or use or testing of our product candidates. The term of these indemnification agreements is generally perpetual. The potential amount of future payments we could be required to make under these indemnification agreements is unlimited. We have not incurred material costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the estimated fair value of these agreements is minimal. Accordingly, we have no liabilities recorded for these agreements as of April 30, 2004.

ALEXION PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

13. Comprehensive Income (Loss) -

We report and present comprehensive income (loss) in accordance with SFAS No. 130, "Reporting Comprehensive Income", which establishes standards for the reporting and display of comprehensive income (loss) and its components in a full set of general purpose financial statements. The objective of the statement is to report a measure of all changes in equity of an enterprise that result from transactions and other economic events of the period other than transactions with owners (comprehensive income (loss)). Our other comprehensive income (loss) arises from net unrealized gains (losses) on marketable securities. We have elected to display comprehensive income (loss) as a component of the statements of stockholders' equity and comprehensive loss.

A summary of total comprehensive loss is as follows (dollars in thousands):

	Three months ended April 30,		Nine months ended April 30,	
	2004	2003	2004	2003
Net loss	$(15,213)	$(19,778)	$(53,972)	$(62,883)
Other comprehensive (loss)	(308)	(238)	(753)	(384)
Total comprehensive loss	$(15,521)	$(20,016)	$(54,725)	$(63,267)

14. Recently Issued Accounting Pronouncements -

In January 2003, the FASB issued FIN 46, "Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51." FIN 46 requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. Variable interest entities that effectively disperse risk will not be consolidated unless a single party holds an interest or combination of interests that effectively recombines risks that were previously dispersed. FIN 46 also requires enhanced disclosure requirements related to variable interest entities. FIN 46 applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. It applies in the first fiscal year or interim period ending after December 15, 2003 to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The adoption of FIN 46 did not have a material effect on our financial statements.

In November 2003, the Emerging Issues Task Force ("EITF") reached a consensus on EITF Issue No. 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments," regarding the issue of disclosures for marketable securities and debt securities accounted for under SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The EITF requires additional quantitative disclosure related to unrealized losses, specifically presentation of the aging of such losses. It also requires additional qualitative disclosures to help users understand why the quantitative disclosures are not other-than-temporarily impaired. The adoption of these disclosure requirements are effective for companies with years ending after December 15, 2003.

In December 2003, the SEC issued Staff Accounting Bulletin No. 104 ("SAB 104"), "Revenue Recognition", which supercedes SAB 101, "Revenue Recognition in Financial Statements." SAB 104's primary purpose is to rescind accounting guidance contained in SAB 101 related to multiple element revenue arrangements, superceded as a result of the issuance of EITF 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." The issuance of SAB 104 reflects the concepts contained in EITF 00-21; the other revenue recognition concepts contained in SAB 101 remain unchanged. The issuance of SAB 104 did not have a material impact on our results of operations or financial position.

ALEXION PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

In April 2004, the EITF reached consensus on EITF Issue No. 03-6, “Participating Securities and the Two Class Method under FASB Statement No. 128” (“EITF 03-6”). EITF 03-6 addresses a number of questions regarding the computation of earnings per share by companies that have issued securities other than common stock that contractually entitle the holder to participate in dividends and earnings of the company when, and if, it declares dividends on its common stock. EITF 03-6 also provides further guidance in applying the two-class method of calculating earnings per share, clarifying what constitutes a participating security and how to apply the two-class method of computing earnings per share once it is determined that a security is participating, including how to allocate undistributed earnings to such a security. EITF 03-6 is effective for fiscal periods beginning after March 31, 2004 and requires retroactive restatement of prior earnings per share amounts. The Company is currently evaluating the effect of adopting EITF 03-6.

ALEXION PHARMACEUTICALS, INC.

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 which may cause our plans and results to differ significantly from plans and results discussed in forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors" - Exhibit 99.1 to our Annual Report on Form 10-K for our fiscal year ended July 31, 2003, as amended, and a variety of other risks set forth from time to time in Alexion's filings with the SEC. The interim financial statements and this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Financial Statements and Notes thereto for the fiscal year ended July 31, 2003 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K for the fiscal year ended July 31, 2003, as amended.

Overview

We are engaged in the discovery and development of therapeutic products aimed at treating patients with a wide array of severe disease states, including hematologic, cardiovascular, and autoimmune disorders, inflammation and cancer. Since our inception in January 1992, we have devoted substantially all of our resources to drug discovery, research, and product and clinical development. Additionally, through our wholly owned subsidiary, Alexion Antibody Technologies, Inc. ("AAT") we are engaged in the discovery and development of a portfolio of additional antibody therapeutics targeting severe unmet medical needs.

To date, we have not received any revenues from the sale of our products. We have incurred operating losses since our inception. As of April 30, 2004, we had an accumulated deficit of $319.2 million. We expect to incur substantial and increasing operating losses for the next several years due to expenses associated with product research and development, pre-clinical studies and clinical testing, regulatory activities, manufacturing development, scale-up and commercial manufacturing and developing a sales and marketing force. We may need to obtain additional financing to cover these costs.

We plan to develop and commercialize on our own those product candidates for which the clinical trials and commercialization requirements can be funded and accomplished by our own resources. For those products which require greater resources, our strategy is to form corporate partnerships with major pharmaceutical companies for product development and commercialization, where we would still play a major role.

Our two lead product candidates are antibodies that address specific diseases that arise when the human immune system attacks the human body itself and produces undesired inflammation. We are currently examining our two lead antibody product candidates in a variety of clinical development programs.

One of our lead antibody product candidates, eculizumab, is in clinical development for the treatment of a variety of chronic inflammatory diseases. In particular, eculizumab is in development in paroxysmal nocturnal hemoglobinuria ("PNH") patients. PNH is a rare chronic blood disease characterized by severe anemia and risk of blood clotting or thrombosis. Results from the twelve months of therapy in this open-label three month PNH pilot study performed in the United Kingdom were presented at the American Society of Hematology meeting in December 2003. The three month results were also published in the February 5, 2004 issue of the *New England Journal of Medicine*. In this PNH study, eculizumab was well-tolerated and associated with a 71% reduction in the need for blood transfusions, up to an 81% reduction in biochemical parameters of hemolysis, or destruction of red cells, and a 96% reduction in clinical paroxysms. An open-label extension trial that will help us evaluate long term-safety and clinical activity is ongoing. We are currently in discussion with the FDA to determine the next steps required for the Phase III development of eculizumab in PNH. We are planning and expect to initiate over the next several months a pivotal Phase III program with eculizumab in PNH patients in the United States and Europe.

Our other antibody product candidate, pexelizumab, is an antibody fragment under development in collaboration with Procter & Gamble Pharmaceuticals ("P&G") for treatment of acute cardiovascular disorders. In 2003, we completed a Phase III clinical trial of pexelizumab, known as the PRIMO-CABG trial, in approximately 3,000

patients undergoing coronary artery bypass graft surgery ("CABG") with cardio-pulmonary bypass ("CPB"). In November 2003, at the Late-Breaking Clinical Trials Session of the 2003 Scientific Sessions Meeting of the American Heart Association, the results of the PRIMO-CABG study were presented. As we disclosed in August 2003, there was reduction in the primary endpoint, although it was not achieved with statistical significance. The primary endpoint in this trial was a composite of the incidence of death or myocardial infarction, or heart attack, measured at 30 days post-procedure, in the subpopulation of patients undergoing CABG without concomitant valve surgery. However, key secondary endpoints were achieved, including the same death or myocardial infarction composite in the overall study population, which included all patients undergoing CABG with or without concomitant valve endpoint surgery. The results of this study were published in the May 19, 2004 issue of the *Journal of the American Medical Association*. We, along with our partner P&G, are currently planning and expect to initiate a confirmatory pivotal Phase III trial in CABG patients within the next several months to expand upon and confirm observations from the PRIMO-CABG trial. In September 2000 the FDA granted "Fast Track" status for the development of pexelizumab in CPB. Fast Track designation provides for expedited development and application review for approval of a drug through the FDA. In addition, we expect to advance pexelizumab into a pivotal Phase III clinical trial in acute myocardial infarction ("AMI") patients receiving angioplasty.

During the quarter ended January 31, 2004, we announced preliminary results of our approximately 350 patient Phase IIb study of eculizumab in rheumatoid arthritis patients. The primary efficacy endpoint of the trial was the improvement in ACR20 score after a six month treatment period. Results of the current trial indicate that the primary endpoint was achieved with statistical significance in the monthly dosing arm but not in the bimonthly dosing arm. Eculizumab treatment appeared to be well tolerated. After completing the analysis of this Phase IIb rheumatoid arthritis trial, we anticipate being able to determine our plans for eculizumab in rheumatoid arthritis.

In December 2003, we and XOMA (U.S.) LLC ("XOMA") entered into a collaborative agreement for the development and commercialization of a rationally designed human c-MPL agonist antibody to treat chemotherapy-induced thrombocytopenia. Thrombocytopenia is an abnormal blood condition in which the number of platelets is reduced, potentially leading to bleeding complications. The compound was discovered at AAT and is in pre-clinical development. The c-MPL antibody was designed to mimic the activity of human thrombopoietin, a naturally occurring protein responsible for platelet production. Under the terms of the agreement, we and XOMA will share development and commercialization expenses, including clinical development, manufacturing and marketing costs world-wide, as well as revenues, on generally a 70 – 30 basis, with us retaining the larger portion. In addition, we received a $1.5 million upfront non-refundable payment upon initiation of the collaboration and will receive a similar sized payment tied to achievement of a regulatory milestone. We are recognizing the $1.5 million upfront payment as a reduction of research and development expenses over 8 years, which represents the estimated length of time to achieve commercial viability. XOMA will be entitled to royalty payments and milestones related to its bacterial cell expression technology.

The Large-Scale Product Supply Agreement dated December 18, 2002 (the "Agreement") between Lonza Biologics PLC ("Lonza") and Alexion Pharmaceuticals, Inc., relating to the manufacture of our product candidate eculizumab, has been amended (the "Amendment") as of April 9, 2004.

Under the Amendment, the facility in which Lonza will manufacture eculizumab is changed; the manufacturing capacity we are required to purchase is reduced; and future potential payments of $10 million by us to Lonza relating to achievement of eculizumab sales milestones and of up to $15 million by us relating to manufacturing yields achieved by Lonza are eliminated. We will pay Lonza an additional $3.5 million as a non-refundable advance under the Amendment.

In addition, the amounts we would be required to pay in connection with a voluntary termination of the Agreement by us have been changed. Under the Agreement, prior to the Amendment, if we were to terminate the Agreement, we could have been required to complete the purchase of product scheduled for manufacture up to 18 months following termination, or at our election to make a termination payment of up to $25 million, less partial return of the unused portion of prepaid manufacturing costs. Under the Agreement, as amended by the Amendment, if we terminate the Agreement on or prior to September 30, 2006, we may be required to pay different amounts, depending on when the Agreement is terminated, which are between zero and approximately $10 million and, if we terminate

the Agreement after September 30, 2006, we may be required to pay for batches of product scheduled for manufacture up to 12 months following termination.

Critical Accounting Policies and Changes

The preparation of financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent liabilities. On an on-going basis, we evaluate our estimates, including those related to intangible assets; collaborative, royalty and license arrangements; and other contingencies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form our basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. Different assumptions might cause our estimates to differ.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

Revenues - We record contract research revenues from research and development support payments, license fees and milestone payments under collaboration with third parties, and amounts received from various government grants. We evaluate all deliverables in our collaborative agreements to determine whether they represent separate units of accounting. Deliverables qualify for separate accounting treatment if they have standalone value to the customer and if there is objective evidence of fair value. Up-front, non-refundable license fees received in connection with a collaboration are deferred and amortized into revenue over the life of the agreement or underlying technologies. Revenues derived from the achievement of milestones are recognized when the milestone is achieved, provided that the milestone is substantive and a culmination of the earnings process has occurred. Research and development support revenues are recognized as the related work is performed and expenses are incurred under the terms of the contracts for development activities. Revenues derived from the achievement of milestones or recognition of related work when performed under terms of a contract may cause our operating results to vary considerably from period to period. Deferred revenue results from cash received or amounts receivable in advance of revenue recognition under research and development contracts.

Research and development expenses - We record research and development expenses when they are incurred unless recoverable under contract. Research and development expenses include the following major types of costs: salaries and benefit costs, research license fees and various contractor costs, depreciation and amortization of lab facilities and leasehold improvements, building and utilities costs related to research space, and lab supplies. Research and development expenses can fluctuate significantly from milestone payments due to third parties upon the attainment or triggering of contractual milestones such as the grant of a patent, FDA filing, FDA approval, or achieving a manufacturing or sales objective. Accrued research and development expenses are comprised of amounts owed to suppliers for research and development work performed on behalf of us. At each period end we evaluate the accrued expense balance related to these activities based upon information received from the supplier and estimated progress toward completion of the research or development objectives to ensure that the balance is appropriately stated. Such estimates are subject to changes as additional information becomes available.

Goodwill, net – At April 30, 2004, we carry $20.0 million of goodwill, net, acquired in connection with our acquisition of Prolifaron, representing the excess cost over fair value of the net assets acquired. On a prospective basis, this goodwill or any long-lived investment asset is subject to annual impairment reviews. Impairment charges, if any, will be recorded as a component of operating expenses in the period in which the impairment is determined, if any.

Prepaid manufacturing costs – At April 30, 2004, we carry $10.0 million of prepaid manufacturing costs for cash remitted to Lonza pursuant to a large-scale product supply agreement for the long-term commercial manufacture of our C5 inhibitor antibody, eculizumab. We expect to amortize this advance over the large-scale manufacture of eculizumab. Per the amended Agreement, the amounts advanced are not refundable and are subject to forfeiture pursuant to contractual terms related to cancellation, termination, or failure to purchase a minimum manufacturing capacity. We evaluate the prepaid manufacturing costs against estimated net realizable value ("NRV"). If estimated NRV is not positive, then all or a portion of the prepaid manufacturing cost may have to be recognized as an expense.

Results of Operations

Certain reclassifications have been made to prior year operating expenses for the three and nine months ended April 30, 2003 to conform prior year expense classifications to current year expense classifications.

A summary of revenues generated from contract research collaboration, milestone payments, and grant awards is as follows for the three and nine months ended April 30 (dollars in thousands):

	Three months ended April 30,		Nine months ended April 30,	
	2004	2003	2004	2003
Collaboration/Grant Awards				
P&G	$ 147	$ 167	$ 441	$ 506
U.S. government grants	21	—	21	204
Contract research revenues	$ 168	$ 167	$ 462	$ 710

Three Months Ended April 30, 2004

Compared with Three Months ended April 30, 2003

We earned contract research revenues of $168,000 for the three months ended April 30, 2004 and $167,000 for the same period ended April 30, 2003. The revenue for the current three month period is primarily a non-cash item representing the amortization of the $10 million upfront fee paid to us by P&G in February 1999. The $21,000 increase in U.S. government grant revenue as compared to the same period a year ago resulted from the completion of research under the grant.

We incurred research and development expenses of $10.8 million for the three months ended April 30, 2004 and $14.1 million for the three months ended April 30, 2003. Our research and development costs consist primarily of payroll and benefits costs, clinical trial costs and other clinical-related development costs, manufacturing development and manufacturing costs, discovery research costs, depreciation and amortization expense, and occupancy related facility operating costs. The following table summarizes the major research and development expense categories for the three months ended April 30, 2004 and 2003, respectively ($ in thousands):

($ in thousands)	Three months ended April 30, 2004	2003
Research and development expenses:		
Payroll and benefits	$ 3,537	$ 3,421
Clinical development	4,440	1,287
Manufacturing development and manufacturing	47	5,751
Discovery research	1,173	1,959
Operating and occupancy	1,039	994
Depreciation and amortization	556	698
Total research and development	$10,792	$14,110

The $3.3 million decrease resulted primarily from lower manufacturing development and manufacturing costs of approximately $5.7 million and lower discovery research costs of $0.8 million, partially offset by higher clinical development costs of $3.2 million. The decrease in manufacturing development and manufacturing is primarily a result of lower third-party manufacturing-related costs in the three months ended April 30, 2004 primarily due to contract scheduling. The decrease in discovery research is primarily due to the suspension of the Unigraft xenotransplantation program at Columbus Farming Corporation and lower external research and license fees. The increase in clinical development costs was due to the fact that P&G was responsible for the Phase III PRIMO-CABG trial costs in the third quarter of the prior fiscal year, but the similar expenses for this fiscal year third quarter were shared equally by us and P&G. As part of our revised collaboration with P&G, we and P&G agreed that we would bear the first 50% of the projected PRIMO-CABG Phase III clinical trial costs and P&G would bear the second 50%. We completed our portion of the 50% of the projected cost of this arrangement for the first PRIMO-CABG trial in the second quarter of fiscal year 2003, while P&G completed their portion of the 50% of the projected cost of this arrangement in the first quarter of fiscal year 2004. Additional costs incurred over the original projected costs were shared equally by us and P&G. Since the first quarter of fiscal year 2004, we shared concurrently 50% of the on-going U.S. pre-production and development manufacturing costs for pexelizumab as well as the Phase III AMI and CABG-PRIMO clinical trial costs.

Our general and administrative expenses were $3.6 million for the three months ended April 30, 2004 and $2.7 million for the three months ended April 30, 2003. The increase of $837,000 was due principally from growth of our operations which resulted in increased payroll and benefits costs of approximately $283,000, increased costs associated with our pre-marketing and business development activities of approximately $365,000, and increased professional and legal fees of approximately $189,000.

We recognized an impairment of fixed assets charge of $2.6 million at CFC during the quarter ended April 30, 2003 relating to the abandonment of the Unigraft xenotransplantation program.

Total operating expenses were $14.4 million and $19.4 million for the three months ended April 30, 2004 and 2003, respectively.

Investment income was $720,000 for the three months ended April 30, 2004 and $1.2 million for the three months ended April 30, 2003. The decrease in investment income of $0.5 million resulted primarily from lower principal and lower market interest rates. Interest expense, primarily on our $120 million convertible subordinated notes, was $1.9 million for the quarters ended April 30, 2004 and 2003.

For the three months ended April 30, 2004, we recorded a state tax benefit of approximately $186,000. The benefit is the result of legislation reinstated in August 2003 by the State of Connecticut that allows for the research and development tax credit exchange program for 2004. The legislation allows companies to exchange research and development tax credits earned in the tax year for a cash refund from the state at the rate of 65% of the research tax credit, as defined in the legislation.

As a result of the above factors, we incurred a net loss of $15.2 million, or $0.69 basic and diluted net loss per common share, for the three months ended April 30, 2004, compared to a net loss of $19.8 million, or $1.09 basic and diluted net loss per common share, for the three months ended April 30, 2003.

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Nine Months Ended April 30, 2004

Compared with Nine Months ended April 30, 2003

We earned contract research revenues of $462,000 for the nine months ended April 30, 2004 and $710,000 for the same period ended April 30, 2003. The revenue for this nine month period is primarily a non-cash item representing the amortization of the $10 million upfront fee paid to us by P&G in February 1999. The $183,000 decrease in revenues associated with U.S. government grants as compared to the same period a year ago resulted primarily from the reduction in grant reimbursable billings from our various government grants as a result of our completion of the related research.

We incurred research and development expenses of $42.0 million for the nine months ended April 30, 2004 and $52.5 million for the nine months ended April 30, 2003. The following table summarizes the major research and development expense categories for the nine months ended April 30 2004 and 2003, respectively ($ in thousands):

	Nine months ended April 30,	
($ in thousands)	**2004**	**2003**
Research and development expenses:		
Payroll and benefits	$11,200	$ 9,878
Clinical development	13,023	22,623
Manufacturing development and manufacturing	10,034	9,117
Discovery research	3,203	6,092
Operating and occupancy	2,781	2,777
Depreciation and amortization	1,763	1,967
Total research and development	$42,004	$52,454

The $10.5 million decrease resulted primarily from lower clinical development costs of $9.6 million due principally to the completion of the pexelizumab Phase III PRIMO-CABG clinical trial and to the shift to P&G of CABG Phase III clinical trial costs as stated above. Lower costs for discovery research of $2.9 million are due to lower external research and license fees, the suspension of the Unigraft program at CFC, and a decrease in lab supply spending. Partially offsetting the decrease in clinical development costs were increased manufacturing development and manufacturing of $917,000 and increased payroll and benefits costs of approximately $1.3 million. We believe research and development expenses will increase due to the preparation and expected initiation of a confirmatory pivotal Phase III clinical trial with pexelizumab in CABG patients, a pivotal Phase III clinical trial with pexelizumab in AMI patients receiving angioplasty, and a pivotal Phase III program with eculizumab in PNH patients.

Our general and administrative expenses were $9.7 million for the nine months ended April 30, 2004 and $7.7 million for the nine months ended April 30, 2003. The increase of $2.0 million was due principally from growth of our operations which resulted in increased payroll and benefits cost of approximately $416,000, increased costs associated with our pre-marketing and business development activities of approximately $686,000, increased facility operating costs of $410,000, and increased professional and legal fees of approximately $333,000, as well as an increase in directors and officers liability insurance of approximately $131,000.

We recognized an impairment of fixed assets charge of $2.6 million at CFC during the quarter ended April 30, 2003 relating to the abandonment of the Unigraft xenotransplantation program.

Total operating expenses were $51.7 million and $62.7 million for the nine months ended April 30, 2004 and 2003, respectively.

Investment income was $2.7 million for the nine months ended April 30, 2004 and $4.7 million for the nine months ended April 30, 2003. The decrease in investment income of $2.0 million resulted primarily from lower principal and lower market interest rates. Interest expense, primarily on our $120 million convertible subordinated notes, was $5.8 million for the nine months ended April 30, 2004 and 2003.

For the nine months ended April 30, 2004, we recorded a state tax benefit of approximately $319,000. The benefit is the result of legislation reinstated in August 2003 by the State of Connecticut that allows for the research and development tax credit exchange program for 2004. The legislation allows companies to exchange research and development tax credits earned in the tax year for a cash refund from the state at the rate of 65% of the research tax credit, as defined in the legislation.

As a result of the above factors, we incurred a net loss of $54.0 million, or $2.54 basic and diluted net loss per common share, for the nine months ended April 30, 2004 compared to a net loss of $62.9 million, or $3.45 basic and diluted net loss per common share, for the nine months ended April 30, 2003.

Liquidity and Capital Resources

As of April 30, 2004, cash, cash equivalents, and marketable securities were $204.2 million compared with $215.4 million at July 31, 2003. The decrease was primarily due to funding operating activities, partially offset by selling additional shares of our common stock in September 2003.

Net cash used in operating activities for the nine months ended April 30, 2004 was $55.4 million. This consisted primarily of our net loss of $54.0 million partially offset by increased deferred research and development payments and the add back of non-cash expenses such as depreciation. The increase in deferred research and development payments is due to the $1.5 million non-refundable payment we received from XOMA.

Net cash provided by investing activities for the nine months ended April 30, 2004 was $58.9 million. This included $60.2 million of net proceeds from marketable securities offset by purchases of $1.3 million of property, plant, and equipment additions.

Net cash provided by financing activities for the nine months ended April 30, 2004 was $46.2 million, which includes proceeds from stock option exercises and the sale of common stock. In September 2003, we sold 3.6 million shares of our common stock at a price of $13.00 per share resulting in net proceeds of approximately $43.9 million, net of underwriting discounts, fees and other expenses of approximately $2.9 million related to the transaction. We have been using and will continue to use the net proceeds of the sale of common stock to fund working capital and other general corporate purposes, including additional clinical trials of pexelizumab and eculizumab, as well as other research and product development activities.

We anticipate that our existing capital resources together with the anticipated funding from our revised collaboration with P&G, as well as the addition of our interest and investment income earned on available cash and marketable securities should provide us adequate resources to fund our operating activities and capital equipment requirements as currently planned for at least twenty-four months.

Our contractual obligations include our $120 million of convertible subordinated notes due March 2007, along with interest payments, our annual payments of approximately $2.2 million for operating leases, principally for facilities and equipment, and an open letter of credit of $200,000 which serves as a security deposit on our facility in Cheshire, Connecticut. In addition, CFC is the payer under a $3.9 million note, which is classified as a current liability as of April 30, 2004.

Our commercial commitments consist of cancelable research and development, clinical development and manufacturing cost commitments along with anticipated supporting arrangements, subject to certain limitations and cancellation clauses. The timing and level of our commercial scale manufacturing costs (assuming we utilize our long-term commercial scale product manufacturing capacity), which may or may not be realized, are contingent upon our clinical development programs' progress as well as our commercialization plans.

ALEXION PHARMACEUTICALS, INC.

The Large-Scale Product Supply Agreement dated December 18, 2002 (the "Agreement") between Lonza Biologics PLC ("Lonza") and Alexion Pharmaceuticals, Inc., relating to the manufacture of our product candidate eculizumab, has been amended (the "Amendment") as of April 9, 2004.

Under the Amendment, the facility in which Lonza will manufacture eculizumab is changed; the manufacturing capacity we are required to purchase is reduced; and future potential payments of $10 million by us to Lonza relating to achievement of eculizumab sales milestones and of up to $15 million by us relating to manufacturing yields achieved by Lonza are eliminated. We will pay Lonza an additional $3.5 million as a non-refundable advance under the Amendment.

In addition, the amounts we would be required to pay in connection with a voluntary termination of the Agreement by us have been changed. Under the Agreement, prior to the Amendment, if we were to terminate the Agreement, we could have been required to complete the purchase of product scheduled for manufacture up to 18 months following termination, or at our election to make a termination payment of up to $25 million, less partial return of the unused portion of prepaid manufacturing costs. Under the Agreement, as amended by the Amendment, if we terminate the Agreement on or prior to September 30, 2006, we may be required to pay different amounts, depending on when the Agreement is terminated, which are between zero and approximately $10 million and, if we terminate the Agreement after September 30, 2006, we may be required to pay for batches of product scheduled for manufacture up to 12 months following termination.

These obligations, commitments and supporting arrangements represent payments based on current operating forecasts, which are subject to change. Further, under terms of our collaboration with P&G, we may be obligated to reimburse P&G for 50% of cancellation costs under P&G's third-party pexelizumab manufacturing contract. Our portion of those cancellation costs could amount to as much as $9.8 million.

Additional payments, aggregating up to $24 million, would be required if we elect to continue development under our current pre-clinical development programs and if specified development milestones are reached (including achievement of commercialization). Approximately $3 million of these costs may be incurred in the next three years.

The following table summarizes our current contractual obligations as of April 30, 2004 and the effect such obligations and projected commercial commitments are expected to have on our liquidity and cash flow in future fiscal years. This assumes non-termination of agreements and does not include the aforementioned milestone payments ($ amounts in millions):

	Total for remainder of fiscal 2004	2005	2006	2007	2008	2009 and thereafter
Contractual obligations:						
Subordinated convertible notes	$ —	$ —	$ —	$ 120.0	$ —	$ —
Note payable	3.9	—	—	—	—	—
Interest payments	0.1	6.9	6.9	6.9	—	—
Operating leases	0.5	2.3	2.4	2.5	2.1	6.1
Total contractual obligations	$ 4.5	$ 9.2	$ 9.3	$ 129.4	$ 2.1	$ 6.1
Commercial commitments:						
Clinical and manufacturing development	$ 9.0	$ 12.5	$ —	$ 5.1	$ 11.8	$ 16.9
Commercial operations	0.5	0.9	—	—	—	—
Licenses	0.4	0.4	0.5	0.6	0.8	—
Research and development	0.3	0.1	—	—	—	—
Total commercial commitments	$ 10.2	$ 13.9	$ 0.5	$ 5.7	$ 12.6	$ 16.9

Note Payable

In February 1999, CFC purchased substantially all of the assets of the UniGraft xenotransplantation program, including principally, land, buildings and laboratory equipment, from its then partner in the program, U.S. Surgical Corporation, now a division of Tyco International, Ltd. ("Tyco"). The purchase was financed through the issuance by CFC of a $3.9 million note payable to Tyco. Interest on the $3.9 million note payable, at 6% per annum, is payable quarterly by CFC. The xenotransplantation manufacturing assets of CFC that were purchased from Tyco, including the real estate, are pledged as security for this note. The principal balance under the note is due in May 2005, and accordingly was classified as a long-term obligation as of July 31, 2003. However, upon CFC's failure to make its quarterly interest payment due to Tyco in August 2003, CFC defaulted on the note. As a result of the event of default, the note is classified as a current liability as of April 30, 2004.

In the quarter ended October 31, 2003, in conjunction with the event of default, we notified Tyco that the UniGraft xenotransplantation program has been abandoned and CFC activities have been suspended. CFC is seeking to liquidate itself to fulfill its debt obligation in whole or in part. CFC further notified Tyco that it does not have the funds or assets to satisfy the $3.9 million note. During the quarter ended January 31, 2004, we and Tyco initiated a plan to sell or liquidate CFC's assets in their present condition. We expect the sale or liquidation of the assets to take place within one year. If CFC's assets, consisting of property, plant and equipment with a current estimated fair value of $1.2 million, are insufficient to satisfy the $3.9 million note and other obligations of CFC, then the unpaid amount of the note may be discharged debt, recognized as other income in a future period to CFC.

Long-term Debt

Interest on our $120 million 5.75% convertible subordinated notes due March 15, 2007 is payable semi-annually in September and March of each year. The holders may convert all or a portion of the notes into common stock any time on or before March 15, 2007 at a conversion price of $106.425 per common share. Beginning March 20, 2003, we may redeem some or all of the notes per the declining redemption prices listed for the notes. We may also elect to pay the repurchase price for some or all the notes in cash or common stock. Our 5.75% convertible subordinated notes due March 2007 are trading at a small discount to their face amounts. Accordingly, in order to reduce future cash interest payments, as well as future payments due at maturity; we may, from time to time, depending on market conditions, repurchase some of our outstanding convertible debt for cash, exchange debt for shares of our common stock, preferred stock, debt or other consideration, or a combination of any of the foregoing. If we exchange shares of our capital stock, or securities convertible into or exercisable for our capital stock, for outstanding convertible debt, the number of shares that we might issue as a result of such exchanges would significantly exceed that number of shares originally issuable upon conversion of such debt and, accordingly, such exchanges could result in material dilution to holders of our common stock. There can be no assurance that we will repurchase or exchange any outstanding convertible debt.

P&G Pharmaceuticals Collaboration

Our collaboration with P&G provides that we and P&G each incur 50% of all Phase III clinical trials, pre-production and development manufacturing costs, and commercialization costs necessary for the potential approval and marketing of pexelizumab in the U.S. and that we will receive approximately 50% of the gross margin on U.S. sales, if any. P&G agreed to retain responsibility for future development and commercialization costs outside the U.S., with us receiving a royalty on sales outside the U.S., if any. We are responsible for royalties on certain third party intellectual property worldwide, if such intellectual property is necessary. Additionally, as part of the MOU, we will receive milestone payments for achieving specified development steps, regulatory filings and approvals.

We agreed to bear the first 50% of projected costs associated with the Phase III clinical trial in coronary artery bypass graft surgery ("CABG") (called "PRIMO-CABG") and P&G agreed to bear the second 50% as part of our revised collaboration. As of January 31, 2004, we and P&G both completed each of our obligations with respect to the originally projected costs. Additional costs incurred over the original projected costs are shared equally by us and P&G. Reimbursements received by us from P&G in connection with P&G's 50% share of our services and related personnel are recorded as a reduction of research and development expense. As part of the revised collaboration per the MOU, P&G funded 100% of the costs for the two acute myocardial infarction ("AMI") Phase II clinical trials in myocardial infarction, or heart attack, patients.

We and P&G have agreed, as per the MOU, that each will share concurrently 50% of the ongoing U.S. pre-production and development manufacturing costs for pexelizumab as well as any future AMI or CABG Phase III clinical trial costs.

Liquidity

We expect to continue to operate at a net loss for at least the next several years as we continue our research and development efforts and continue to conduct clinical trials and develop manufacturing, sales, marketing and distribution capabilities. Our operating expenses will depend on many factors, including:

- the progress, timing and scope of our research and development programs;
- the progress, timing and scope of our preclinical studies and clinical trials;
- the time and cost necessary to obtain regulatory approvals;
- the time and cost necessary to further develop manufacturing processes, arrange for contract manufacturing or build manufacturing facilities and obtain the necessary regulatory approvals for those facilities;
- the time and cost necessary to develop sales, marketing and distribution capabilities;
- changes in applicable governmental regulatory policies; and
- any new collaborative, licensing and other commercial relationships that we may establish.

We expect to incur substantial additional costs for research, pre-clinical and clinical testing, manufacturing process development, capital expenditures related to personnel and facilities expansion, clinical and commercial manufacturing requirements, securing commercial contract manufacturing capacity, and marketing and sales in order to commercialize our products currently under development. Furthermore, we will owe royalties to parties we have licensed intellectual property from, or may in the future license intellectual property from, in connection with the development, manufacture or sale of our products.

In addition to milestone payments we may receive from our collaborations with P&G and XOMA and our interest and investment income that are subject to market interest rate fluctuations, we will need to raise or generate substantial additional funding in order to complete the development and commercialization of all of our product candidates. Furthermore, the development or expansion of our business or any acquired business or companies may require a substantial capital investment by us. Additional financing may include public or private debt or equity offerings, equity line facilities, bank loans, collaborative research and development arrangements with corporate partners, and/or the sale or licensing of some of our property. There can be no assurance that funds will be available on terms acceptable to us, if at all, or that discussions with potential strategic or collaborative partners will result in any agreements on a timely basis, if at all. The unavailability of additional financing when and if required could require us to delay, scale back or eliminate certain research and product development programs or to enter into license agreements with third parties to commercialize products or technologies that we would otherwise undertake ourselves, any of which could have a material adverse effect on our business.

ALEXION PHARMACEUTICALS, INC.

Item 3. Quantitative and Qualitative Disclosure about Market Risks.

We account for our marketable securities in accordance with Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"). All of our cash equivalents and marketable securities are treated as available-for-sale under SFAS 115.

Investments in fixed rate interest earning instruments carry a degree of interest risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates. Due in part to these factors, our future investment income may fall short of expectations due to changes in interest rates or we may suffer losses in principal if forced to sell securities which have declined in market value due to changes in interest rates. Our marketable securities are held for purposes other than trading and we believe that we currently have no material adverse risk exposure. A 10% increase or decrease in market interest rates on our 5.75% Subordinated Convertible Notes would result in no material impact on our notes. The marketable securities as of April 30, 2004, had maturities of less than two years. The weighted-average interest rate on marketable securities at April 30, 2004 was approximately 1.5%. The fair value of marketable securities held at April 30, 2004 was $129.6 million.

Item 4. Controls and Procedures.

Our management, including the Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in alerting them to material information, on a timely basis, required to be included in our periodic SEC filings. There have been no changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ALEXION PHARMACEUTICALS, INC.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports

(a) Exhibits

3.1 Certificate of Incorporation, as amended, reflecting elimination of non-outstanding series of preferred stock.

4.1 Indenture, dated as of March 8, 2000, between Alexion Pharmaceuticals, Inc and The Chase Manhattan Bank, As Trustee, relating to our 5.75 % Convertible Subordinated Notes Due 2007 that were issued in 2000.*

10.1 Amendment 1 to the Large-Scale Product Supply Agreement, dated December 18, 2002, between Lonza Biologics PLC and Alexion Pharmaceuticals, Inc. **

31.1 Certification by Leonard Bell, Chief Executive Officer of Alexion Pharmaceuticals, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, in connection with Alexion Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q for the quarter ended April 30, 2004.

31.2 Certification by Carsten Boess, Vice President and Chief Financial Officer of Alexion Pharmaceuticals, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, in connection with Alexion Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q for the quarter ended April 30, 2004.

32.1 Certification by Leonard Bell, Chief Executive Officer of Alexion Pharmaceuticals, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with Alexion Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q for the quarter ended April 30, 2004.

32.2 Certification by Carsten Boess, Vice President and Chief Financial Officer of Alexion Pharmaceuticals, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with Alexion Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q for the quarter ended April 30, 2004.

(b) Reports on Form 8-K

Report on Form 8-K/A, filed on March 22, 2004, Amendment No. 2, relates to Alexion's Current Report on Form 8-K filed on December 18, 2003 and Amendment No. 1 thereto filed on January 9, 2004. The purpose of this amendment was to update Item 7(c).

Report on Form 8-K, filed on March 16, 2004 announcing the appointment of Larry L. Mathis to Alexion's Board of Directors.

Report on Form 8-K, filed on February 11, 2004 announcing the appointment of Carsten Boess as Vice President and Chief Financial Officer.

* Incorporated by reference to our Registration Statement on Form S-3, Registration No. 333-36738, filed with the Securities and Exchange Commission on May 10, 2000.

** Certain portions of this exhibit have been omitted pursuant to a request for an order granting confidential treatment by the Securities and Exchange Commission. The omitted non-public information has been filed with the Securities and Exchange Commission.

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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: June 4, 2004 By: /s/ LEONARD BELL, M.D.

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

Date: June 4, 2004 By: /s/ DAVID W. KEISER

David W. Keiser
President and Chief Operating Officer

Date: June 4, 2004 By: /s/ CARSTEN BOESS

Carsten Boess
Vice President and Chief Financial Officer
(principal financial officer)

Date: June 4, 2004 By: /s/ BARRY P. LUKE

Barry P. Luke
Vice President of Finance and Administration
(principal accounting officer)

Exhibit 3(i)

CERTIFICATE OF INCORPORATION

OF

UDEC PHARMACEUTICALS, INC.

FIRST. The name of the Corporation is UDEC Pharmaceuticals, Inc.

SECOND. The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the Corporation shall have authority to issue is 12,000,000 shares of common stock of the par value of $.0001 per share, all of the same class.

FIFTH. The name and mailing address of the incorporator is Esther Sasson, c/c Shea & Gould, 1251 Avenue of the Americas, New York, NY 10020.

SIXTH. Election of directors need not be by written ballot.

SEVENTH. The Board of Directors is authorized to adopt, amend, or repeal the By-Laws of the Corporation except as and to the extent provided in the By-Laws.

EIGHTH. Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (whether or not by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, incorporator, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, incorporator, employee, partner, trustee, or agent of another corporation, partnership, joint venture, trust, or other enterprise (including an employee benefit plan), shall be entitled to be indemnified by the Corporation to the full extent then permitted by law against expenses (including attorneys' fees), judgments, fines (including excise taxes assessed on a person with respect to an employee benefit plan), and amounts paid in settlement incurred by him in connection with such action, suit, or proceeding. Such right of indemnification shall inure whether or not the claim asserted is based on matters which antedate the adoption of this Article EIGHTH.

Such right of indemnification shall continue as to a person who has ceased to be a director, officer, incorporator, employee, partner, trustee, or agent and shall inure to the benefit of the heirs and personal representatives of such a person. The indemnification provided by this Article EIGHTH shall not be deemed exclusive of any other rights which may be provided now or in the future under any provision currently in effect or hereafter adopted of the By-Laws, by any agreement, by vote of stockholders, by resolution of disinterested directors, by provision of law, or otherwise.

NINTH. No director of the Corporation shall be liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

TENTH. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable

jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 at the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

IN WITNESS WHEREOF, I have made, signed, and sealed this Certificate of Incorporation this 28th day of January, 1992.

/s/ Esther K. Sasson (L.S.)

Esther K. Sasson, Incorporator

CERTIFICATE OF AMENDMENT
OF
THE CERTIFICATE OF INCORPORATION
OF
UDEC PHARMACEUTICALS, INC.

UDEC Pharmaceuticals, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That by unanimous written consent pursuant to Section 141 of the General Corporation Law of the State of Delaware, the Board of Directors of UDEC Pharmaceuticals, Inc. duly adopted resolutions setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and directing that the proposed amendment be placed before the stockholders of the corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by restating Article FOURTH thereof to read in its entirety as follows:

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 40,000,000 shares of common stock of the par value of $.0001 per share, all of the same class.

SECOND: That thereafter, the stockholders of said corporation, by unanimous written consent, in accordance with Section 228 of the General Corporation Law of the State of Delaware, approved said amendment to the Certificate of Incorporation.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned have signed this Certificate and affirm, under penalties of perjury that the Certificate is the act and deed of the Corporation and the facts stated herein are true.

Date: March 5, 1992

/s/ Leonard Bell

Leonard Bell, M.D.
President

ATTEST:

/s/ David Blech

David Blech
Assistant Secretary

CERTIFICATE OF AMENDMENT
OF
THE CERTIFICATE OF INCORPORATION
OF
UDEC PHARMACEUTICALS, INC.

UDEC Pharmaceuticals, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That by unanimous written consent pursuant to Section 141 of the General Corporation Law of the State of Delaware, the Board of Directors of UDEC Pharmaceuticals, Inc. duly adopted resolutions setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and directing that the proposed amendment be placed before the stockholders of the corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by restating Article FIRST thereof to read in its entirety as follows:

FIRST: The name of the Corporation is Alexion Pharmaceuticals, Inc.

SECOND: That thereafter, the stockholders of said corporation, by unanimous written consent, in accordance with Section 228 of the General Corporation Law of the State of Delaware, approved said amendment to the Certificate of Incorporation.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned have signed this Certificate and affirm, under penalties of perjury that the Certificate is the act and deed of the Corporation and the facts stated herein are true.

Date: November 9, 1992

/s/ Leonard Bell

Leonard Bell, M.D.
President

ATTEST:

/s/ Leonard Bell

Leonard Bell
Secretary

CERTIFICATE OF AMENDMENT
OF
THE CERTIFICATE OF INCORPORATION
OF
ALEXION PHARMACEUTICALS, INC.

Alexion Pharmaceuticals, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That by unanimous written consent pursuant to Section 141 of the General Corporation Law of the State of Delaware, the Board of Directors of Alexion Pharmaceuticals, Inc. duly adopted resolutions setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and directing that the proposed amendment be placed before the stockholders of the corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by restating Article FOURTH thereof to read in its entirety as follows:

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 60,000,000 shares of common stock of the par value of $.0001 per share, all of the same class.

SECOND: That thereafter, the stockholders of said corporation, by written consent, in accordance with Section 228 of the General Corporation Law of the State of Delaware, approved said amendment to the Certificate of Incorporation, and also in accordance with Section 228 notice was given to those stockholders who had not consented in writing.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned have signed this Certificate and affirm, under penalties of perjury that the Certificate is the act and deed of the Corporation and the facts stated herein are true.

Date: February 1, 1993

/s/ Leonard Bell

Leonard Bell, M.D.
President

ATTEST:

/s/ David Blech

David Blech
Assistant Secretary

CERTIFICATE OF AMENDMENT
OF
THE CERTIFICATE OF INCORPORATION
OF
ALEXION PHARMACEUTICALS, INC.

(Pursuant to Section 242 of the General
Corporation Law of Delaware)

ALEXION PHARMACEUTICALS, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Corporation's Board of Directors on September 30, 1994, the Board of Directors of the Corporation duly adopted a resolution setting forth the proposed amendment to the Certificate of Incorporation of the Corporation, declaring said amendment to be advisable and directing that the proposed amendment be placed before the stockholders of the Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by restating Article FOURTH thereof to read in its entirety as follows:

"FOURTH: The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 80,000,000 of which 60,000,000 shares shall be Common Stock of the par value of $0.0001 per share and 20,000,000 shares shall be Preferred Stock of the par value of $0.0001 per share.

A. Preferred Stock. The Board of Directors is expressly authorized to provide for the issue of all or any shares of the Preferred Stock, in one or more series, and to fix for each such series such voting powers, full or limited, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issue of such series (a "Preferred Stock Designation") and as may be permitted by the Delaware General Corporation Law. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, without a separate vote of the holders of the Preferred Stock, or any series thereof, unless a vote of any such holders is required pursuant to any Preferred Stock Designation.

B. Common Stock. Except as otherwise required by law or as otherwise provided in any Preferred Stock Designation, the holders of the Common Stock shall exclusively possess all voting power and each share of Common Stock shall have one vote.

Upon the filing of this amendment to the Certificate of Incorporation, as heretofore amended, whereby Article FOURTH is amended in its entirety to read as set forth herein, each four (4) issued and outstanding shares of Common Stock of the Corporation shall automatically and without further action on the part of the holder thereof be combined into one (1) share of validly issued, fully paid and non-assessable shares of Common Stock of the Corporation. No scrap or fractional shares will be issued by reason of this amendment."

SECOND: That pursuant to resolution of the Board of Directors, the proposed amendment was submitted to the stockholders of the Corporation and was duly adopted by the stockholders of the Corporation pursuant to a written consent in accordance with the applicable provisions of Section 228 of the General Corporation Law of Delaware, and in accordance with such Section 228 written notice has been given to those stockholders who have not consented in writing.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of Delaware.

IN WITNESS WHEREOF, the undersigned have signed this Certificate and affirm, under penalties of perjury that the Certificate is the act and deed of the corporation and the facts stated herein are true.

Date: November 7, 1994

/s/ Leonard Bell

Leonard Bell, M.D.
President

ATTEST:

/s/ David Keiser

CERTIFICATE OF AMENDMENT
OF
THE CERTIFICATE OF INCORPORATION
OF
ALEXION PHARMACEUTICALS, INC.

(Pursuant to Section 242 of the General
Corporation Law of Delaware)

ALEXION PHARMACEUTICALS, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

FIRST: That by unanimous written consent pursuant to Section 141 of the General Corporation Law of the State of Delaware, the Board of Directors of the Corporation duly adopted a resolution setting forth the proposed amendment to the Certificate of Incorporation of the Corporation, declaring said amendment to be advisable and directing that the proposed amendment be placed before the stockholders of the Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by restating Article FOURTH thereof to read in its entirety as follows:

"FOURTH: The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 30,000,000 of which 25,000,000 shares shall be Common Stock of the par value of $0.0001 per share and 5,000,000 shares shall be Preferred Stock of the par value of $0.0001 per share.

A. Preferred Stock. The Board of Directors is expressly authorized to provide for the issue of all or any shares of the Preferred Stock, in one or more series, and to fix for each such series such voting powers, full or limited, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issue of such series (a "Preferred Stock Designation") and as may be permitted by the Delaware General Corporation Law. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, without a separate vote of the holders of the Preferred Stock, or any series thereof, unless a vote of any such holders is required pursuant to any Preferred Stock Designation.

B. Common Stock. Except as otherwise required by law or as otherwise provided in any Preferred Stock Designation, the holders of the Common Stock shall exclusively possess all voting power and each share of Common Stock shall have one vote.

Upon the filing of this amendment to the Certificate of Incorporation, as heretofore amended, whereby Article FOURTH is amended in its entirety to read as set forth herein, each two and one-half (2.5) issued and outstanding shares of Common Stock of the Corporation shall automatically and without further action on the part of the holder thereof be combined into one (1) share of validly issued, fully paid and non-assessable shares of Common Stock of the Corporation. No scrip or fractional shares will be issued by reason of this amendment."

SECOND: That pursuant to resolution of the Board of Directors, the proposed amendment was submitted to the stockholders of the Corporation and was duly adopted by the stockholders of the Corporation pursuant to a written consent in accordance with the applicable provisions of Section 228 of the General Corporation Law of Delaware, and in accordance with such Section 228 written notice has been given to those stockholders who have not consented in writing.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of Delaware.

IN WITNESS WHEREOF, the undersigned have signed this Certificate and affirm, under penalties of perjury that the Certificate is the act and deed of the corporation and the facts stated herein are true.

Date: January 5, 1995*

/s/ Leonard Bell

Leonard Bell, M.D.
President

ATTEST:

/s/ David Keiser

* Filed on January 5, 1996.

CERTIFICATE OF DESIGNATION OF JUNIOR
PARTICIPATING CUMULATIVE PREFERRED STOCK
Par Value $1.00 Per Share

of

ALEXION PHARMACEUTICALS, INC.

Pursuant to Section 151 of the General Corporation
Law of the State of Delaware

We, Leonard O. Bell, President, and David Keiser, Assistant Secretary, of Alexion Pharmaceuticals, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 103 thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation of the said Corporation, the said Board of Directors on February 14, 1997 by the affirmative vote of a majority of the members of the Board of Directors, adopted the following resolution creating a series of one hundred and twenty thousand (120,000) shares of Preferred Stock, par value $1.00 per share;

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Certificate of Incorporation; a series of Preferred Stock of the Corporation be, and it hereby is, created, and that the designation and amount thereof and the voting powers, preferences and relative participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

Section (1) Designation and Amount.

The shares of such series shall be designated as Junior Participating Cumulative Preferred Stock, par value $1.00 per share (the "Junior Preferred Stock"), and the number of shares constituting such series shall be 120,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Junior Preferred Stock to a number less than the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Junior Preferred Stock.

Section (2) Dividends and Distributions.

(A) Subject to the rights of the holders of any of any shares of preferred stock (or any similar stock) ranking prior and superior to the Junior Preferred Stock with respect to dividends, the holders of shares of Junior Preferred Stock, in preference to the holders of Common Stock, and of any other junior stock which may be outstanding, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds

legally available for the purpose, quarterly dividends payable in cash on the first day of January, April, July and October in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"); commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Junior Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $2.50 per share ($10.00 per annum), or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Junior Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares Common Stock, then in each such case the amount to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Junior Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock I other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment date and the next subsequent Quarterly Dividend Payment Date, a dividend of $2.50 per share ($10.00 per annum) on the Junior Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Junior Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Junior Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall accumulate but shall not bear interest. Dividends paid on the shares of Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at

the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section (3) Voting Rights.

The holders of shares of Junior Preferred Stock shall have the following voting rights.

(A) Subject to the provisions for adjustment as hereinafter set forth, each share of Junior Preferred Stock shall entitle the holder thereof to 100 votes (and each one one-hundredth of a share of Junior Preferred Stock shall entitle the holder thereof to one vote) on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by classification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or less number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in the Certificate of Incorporation, in any other certificate of designation creating a series of preferred stock or any similar stock, or by law, the holders of shares of Junior Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) If at any time the Corporation shall not, have declared and paid all accrued and unpaid dividends on the Junior Preferred Stock as provided in Section 2 hereof for four consecutive Quarterly Dividend Payment Dates, then, in addition to any voting rights provided for in paragraphs (A) and (B), the holders of the Junior Preferred Stock shall have the exclusive right, voting separately as class, to elect two directors on the Board of Directors of the Corporation (such directors, the “Preferred Directors”). The right of the holders of the Junior Preferred Stock to elect the Preferred Directors shall continue until all such accrued and unpaid dividends shall have been paid. At such time, the terms of any of the Preferred Directors shall terminate. At any time when the holders of the Junior Preferred Stock shall have thus become entitled to elect Preferred Directors, a special meeting of shareholders shall be called for the purpose of electing such Preferred Directors, to be held within 30 days after the right of the holders of the Junior Preferred Stock to elect such Preferred Directors shall arise, upon notice given in the manner provided by law or the by-laws of the Corporation for giving notice of a special meeting of shareholders (provided, however, that such a special meeting shall not be

called in the annual meeting of shareholders is to convene within said 30 days). At any such special meeting or at any annual meeting at which the holders of the Junior Preferred Stock shall be entitled to elect Preferred Directors, the holders of a majority of the then outstanding Junior Preferred Stock present in person or by proxy shall be sufficient to constitute a quorum for the election of such directors. The persons elected by the holders of the Junior Preferred Stock at any meeting in accordance with the terms of the preceding sentence shall become directors on the date of such election.

Section (4) Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Junior Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Junior Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends or, make any other distributions on any shares or stock ranking junior (either as to dividends or upon liquidation, dissolution or winding-up) to the Junior Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding-up) with the Junior Preferred Stock except dividends paid ratably on the Junior Preferred Stock, and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding-up) with the Junior Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding-up) to the Junior Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Junior Preferred Stock, or any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding-up) with the Junior Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section (5) Reacquired Shares.

Any shares of Junior Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever, shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of preferred stock, without designation as to series, and may be reissued as part of a new series of preferred stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set fourth herein, in the Certificate of Incorporation, in any other certificate of designation creating a series of preferred stock or any similar stock or as otherwise required by law.

Section (6) Liquidation, Dissolution or Winding-Up.

Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, no distribution shall be made (A) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding-up) to the Junior Preferred Stock unless prior thereto, the holders of shares of Junior Preferred Stock shall have received the higher of (i) $100.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, or (ii) an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of Common Stock, nor shall any distribution be made (B) to the holders of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding-up) with the Junior Preferred Stock, except distributions made ratably on the Junior Preferred Stock and all other such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding-up. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock by reclassification or otherwise than by payment of a dividend in shares of Common Stock into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Junior Preferred Stock are entitled immediately prior to such event under the provision in clause (A) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section (7) Consolidation, Merger, etc.

In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, or otherwise changed, then in any such case each share of Junior Preferred Stock shall at the same time be similarly exchanged or changed

into an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Junior Preferred stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section (8) No Redemption.

The shares of Junior Preferred Stock shall not be redeemable.

Section (9) Rank.

Unless otherwise provided in the Certificate of Incorporation of the Corporation or a certificate of designation relating to a subsequent series of preferred stock of the Corporation, the Junior Preferred Stock shall rank junior to all other series of the Corporation's preferred stock as to the payment of dividends and the distribution of assets on liquidation, dissolution or winding-up, and senior to the Common Stock of the Corporation.

Section (10) Amendment.

The Certification of Incorporation of the Corporation, as amended, shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Junior Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Junior Preferred Stock, voting together as a single series.

Section (11) Fractional Shares.

Junior Preferred Stock may be issued in fractions of a share (in one one-hundredths (1/100) of a share and integral multiples thereof) which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Junior Preferred Stock.

IN WITNESS WHEREOF, this Certificate of Designation is executed on behalf of the Corporation by its President and attested by its Assistant Secretary this 14th day of February, 1997.

/s/ Leonard Bell

President

ATTEST:

/s/ David Keiser

Assistant Secretary

CERTIFICATE OF AMENDMENT

OF THE AMENDED CERTIFICATE OF INCORPORATION

OF

ALEXION PHARMACEUTICALS, INC.

ALEXION PHARMACEUTICALS, INC. (hereinafter the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: The name of the Corporation is ALEXION PHARMACEUTICALS, INC.

SECOND: The Certificate of Incorporation of the Corporation is hereby amended as follows:

Article FOURTH of the Certificate of Incorporation, relating to the authorized stock of the Corporation, is hereby amended by substituting in lieu of said Article the following new Article:

"**FOURTH**: The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 150,000,000 shares of which 145,000,000 shares shall be Common Stock of the par value of $0.0001 per share and 5,000,000 shares shall be Preferred Stock of the par value of $0.0001 per share.

A. *Preferred Stock*. The Board of Directors is expressly authorized to provide for the issue of all or any shares of the Preferred Stock, in one or more series, and to fix for each such series such voting powers, full or limited, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issue of such series (a "Preferred Stock Designation") and as may be permitted by the Delaware General Corporation Law. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, without a separate vote of any such holders is required pursuant to any Preferred Stock Designation.

B. *Common Stock*. Except as otherwise required by law or as otherwise provided in any Preferred Stock Designation, the holders of the Common Stock shall exclusively possess all voting power and each share of Common Stock shall have one vote. The holders of our Common Stock do not possess any pre-emptive rights."

THIRD. That pursuant to resolution of the Board of Directors, the proposed amendment was submitted to the stockholders of the Corporation and was duly adopted by the stockholders of the Corporation pursuant to a meeting held on December 8, 2000 in accordance with the applicable provisions of Section 211 of the General Corporation Law of Delaware.

FOURTH: The amendment of the Certificate of Incorporation herein certified has been duly adopted in accordance with the provisions of Section 211 and Section 242 of the General Corporation Law of the State of Delaware.

[Signature Page Follows]

IN WITNESS WHEREOF, I hereunto sign my name and affirm that the statements made herein are true under the penalties of perjury, this 21st day of December, 2000.

ALEXION PHARMACEUTICALS, INC

By: /s/ Leonard Bell

Leonard Bell
Chief Executive Officer

CERTIFICATE OF ELIMINATION
OF THE
SERIES A CONVERTIBLE PREFERRED STOCK
(Par Value $0.0001 Per Share)
of
Alexion Pharmaceuticals, Inc.

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Alexion Pharmaceuticals, Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "**Company**"), by its Vice President and General Counsel,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Company adopted the following resolutions with respect to the elimination of the Series A Convertible Preferred Stock, par value $0.0001 per share (the "Series A Preferred Stock"), of the Company:

RESOLVED, that no authorized shares of Series A Preferred Stock of the Company are outstanding as of the date hereof and none will be issued pursuant to the Certificate of the Designations, Powers, Preferences and Rights of the Series A Preferred Stock of the Company as amended (the "Series A Certificate of Designations") subsequent to the date hereof; and it is further

RESOLVED, that the proper officer or officers of the Company be, and each of them hereby is, authorized and directed, in the name and on behalf of the Company, to file or cause to be filed with the Secretary of State of the State of Delaware a Certificate of Elimination which shall have the effect, when properly filed, of eliminating from the Certificate of Incorporation all matters set forth in the Series A Certificate of Designations.

SECOND: No authorized shares of the Series A Preferred Stock are outstanding as of the date hereof and none will be issued subsequent to the date hereof.

IN WITNESS WHEREOF, the Company has caused this Certificate of Elimination to be executed this 28 day of May, 2004.

ALEXION PHARMACEUTICALS, INC.

By: /s/ Thomas I. H. Dubin

Thomas I. H. Dubin
Vice President and General Counsel

CERTIFICATE OF ELIMINATION
OF THE
SERIES B CONVERTIBLE PREFERRED STOCK
(Par Value $0.0001 Per Share)
of
Alexion Pharmaceuticals, Inc.

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Alexion Pharmaceuticals, Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "**Company**"), by its Vice President and General Counsel,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Company adopted the following resolutions with respect to the elimination of the Series B Convertible Preferred Stock, par value $0.0001 per share (the "Series B Preferred Stock"), of the Company:

RESOLVED, that no authorized shares of Series B Preferred Stock of the Company are outstanding as of the date hereof and none will be issued pursuant to the Certificate of the Designations, Powers, Preferences and Rights of the Series B Preferred Stock of the Company (the "Series B Certificate of Designations") subsequent to the date hereof; and it is further

RESOLVED, that the proper officer or officers of the Company be, and each of them hereby is, authorized and directed, in the name and on behalf of the Company, to file or cause to be filed with the Secretary of State of the State of Delaware a Certificate of Elimination which shall have the effect, when properly filed, of eliminating from the Certificate of Incorporation all matters set forth in the Series B Certificate of Designations.

SECOND: No authorized shares of the Series B Preferred Stock are outstanding as of the date hereof and none will be issued subsequent to the date hereof.

IN WITNESS WHEREOF, the Company has caused this Certificate of Elimination to be executed this 28 day of May, 2004.

ALEXION PHARMACEUTICALS, INC.

By: /s/ Thomas I. H. Dubin

Thomas I. H. Dubin
Vice President and General Counsel

CERTAIN PORTIONS INDICATED BY *** HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT. THE OMITTED NON-PUBLIC PORTIONS HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Amendment 1

To the Large-Scale Product Supply Agreement dated December 18, 2002 ("Agreement"), between Lonza Biologics PLC an English Corporation ("LB"), with offices at 228 Bath Road, Slough, Berkshire SL14DY, England, and Alexion Pharmaceuticals Inc., a Delaware corporation ("Alexion"), with offices at 352 Knotter Drive, Cheshire, Connecticut 06410

THIS AMENDMENT (Amendment 1) is made this 9th day of April 2004 (the "Amendment 1 Effective Date")

BETWEEN:

Lonza Biologics Plc.
228 Bath Road
Slough, Berkshire, SL1 4DX
England ("LB");

and

Alexion Pharmaceuticals Inc.
352 Knotter Drive
Cheshire CT 06410 ("Alexion").

WITNESSETH:

WHEREAS, LB and Alexion wish to amend the Agreement under the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions contained in this Amendment 1, the Parties hereto agree as follows:

1. Withdrawal Fee. Alexion and LB acknowledge that Alexion has previously paid LB $10,000,000 in prepayments under the Agreement. The Parties agree that Alexion will pay LB $8,500,000 as further consideration for execution and performance by LB of this Amendment, which amount shall be satisfied by a deduction from such $10,000,000 prepayment. The $1,500,000 remaining from such prepayment shall be credited against the $5,000,000 payment to LB by Alexion under Section 13.15.

2. Section 1.1.1 ("Advance"). Section 1.1.1 shall be amended to read in its entirety as follows:

"Advance" means the non-refundable $5,000,000 paid by Alexion pursuant to Section 13.15.

3. Section 1.1.9 (“Batch Price”). The phrase “, among other things:” in the third line of Section 1.1.9 shall be deleted and replaced by the phrase “all costs of Raw Materials and, among other things:”

4. Section 1.1.14 (“Consistency Batches”). Section 1.1.14 shall be amended such that the words “Consistency Batches” shall be replaced by “Validation Batches” and no other change. Further, all references to “Consistency Batches” found throughout the Agreement are hereby replaced by the phrase “Validation Batches.”

5. Section 1.1.15 (“Consistency Suite Use Period”). Section 1.1.15 shall be deleted in its entirety and the words “This Section left intentionally blank” shall be inserted in its stead.

6. Section 1.1.20 (“Fermenter Train”). Section 1.1.20 shall be amended to read in its entirety as follows:

> “‘Fermenter Train’ means *** **** reactors and a ***** ***** production reactor.”

7. Section 1.1.21 (“First Suite Use Period”). Section 1.1.21 shall be deleted in its entirety and the words “This Section left intentionally blank” shall be inserted in its stead.

8. Section 1.1.23 (“Large-Scale Development Services Agreement”). Section 1.1.23 shall be deleted in its entirety and the words “This Section left intentionally blank” shall be inserted in its stead.

9. Section 1.1.24 (“Large Scale Manufacturing Suite”). Section 1.1.24 shall be deleted in its entirety and the words “This Section left intentionally blank” shall be inserted in its stead.

10. Section 1.1.31 (“Letter of Intent”). Section 1.1.31 shall be deleted in its entirety and the words “This Section left intentionally blank” shall be inserted in its stead.

11. Section 1.1.33 (“Maximum Order”). Section 1.1.33 shall be deleted in its entirety and the words “This Section left intentionally blank” shall be inserted in its stead.

12. Section 1.1.34 (“Minimum Order”). Section 1.1.34 shall be amended to read in its entirety as follows:

> “‘Minimum Order’ shall mean ****** **** ******* on or prior to December 31, 2008. The *** *** Pre-Validation Batches and **** *** Validation Batches, referred to in Section 13.1 are excluded from the ****** **** ****** Minimum Order. The ****** **** ****** Minimum Order will be decreased by the number of batches of any other products the Parties agree for LB to manufacture at ***** ***** scale.”

13. Section 1.1.43 ("Raw Materials Fee"). Section 1.1.43 shall be deleted in its entirety and the words "This Section left intentionally blank" shall be inserted in its stead.

14. Section 1.1.48 ("Suite Year"). Section 1.1.48 shall be deleted in its entirety and the words "This Section left intentionally blank" shall be inserted in its stead.

15. Section 1.1.49 ("Suite Use Commencement Date"). Section 1.1.49 shall be deleted in its entirety and the words "This Section left intentionally blank" shall be inserted in its stead.

16. Section 1.1.50 ("Suite Use Period"). Section 1.1.50 shall be deleted in its entirety and the words "This Section left intentionally blank" shall be inserted in its stead.

17. Section 1.1.55 ("******* ******* Manufacturing Suite"). A new Section 1.1.55 shall be inserted, as follows:

> "1.1.55. '******* ******* Manufacturing Suite' means the ********** scale cGMP manufacturing Suite of LB at its *************** ******* ************ manufacturing site, which shall include the Fermenter Train and associated harvest and purification equipment."

18. Section 2.1 ("Term"). Section 2.1 shall be amended to read in its entirety as follows:

> "This Agreement shall take effect on the Effective Date and shall, unless sooner terminated pursuant to Section 18 as amended, remain in effect until December 31, 2008. Notwithstanding the foregoing:"

19. Section 2.1.1 ("Term"). Section 2.1.1 shall be amended to read in its entirety as follows:

> "Upon written notice by Alexion to LB on or before the ***** anniversary of the Amendment 1 Effective Date, the initial term of this Agreement shall be extended for a ********* period. Alexion shall be entitled to purchase a maximum of ** Batches per year, subject to the limitations of LB's schedule and freely available capacity during such four year extension. Within 30 days of LB's receipt of Alexion's written request to extend the term, LB will provide Alexion in writing all details regarding its schedule and freely available capacity during such ************* extension, insofar as such details are reasonably relevant for Alexion to understand LB's ability to manufacture Large-scale product during such ************* extension. Alexion will have 30 days following receipt of such details to provide LB a Forecast Order for such ************* extension in respect of Batches that can be accommodated within LB's schedule and do not exceed LB's available capacity. Such Forecast Order and Binding Orders in respect

thereof shall be deemed covered by this Agreement in accordance with the terms of this Agreement, including Sections 5.1 and 5.2."

20. Section 2.1.2 ("Term"). Section 2.1.2 shall be amended as follows:

    a. the phrase "Suite Use Commencement Date" found therein shall in each case be deleted and replaced by the phrase "Amendment 1 Effective Date;"

    b. the phrase "Large-Scale-Manufacturing Suite" found therein shall in each case be deleted and replaced by the phrase "***** ***** Manufacturing Suite;" and

    c. the following phrase will be added to the end of Section 2.1.2: "Alexion would be entitled to purchase a maximum of ** Batches per year during such **** **** extension."

21. Section 4.1 ("cGMP Manufacturing"). Section 4.1 shall be amended to read in its entirety as follows:

    "cGMP Manufacture: Subject to Section 6.3, LB will, in accordance with the terms of this Agreement, manufacture and Deliver to Alexion Batches of Large-Scale Product at ***** ***** scale in accordance with cGMP using the ***** ***** Manufacturing Suite. Additional product-specific development documentation and validation work required to support regulatory applications and to conduct clinical trials or market a product shall be conducted by LB as reasonably requested by Alexion and as further agreed to between Parties, following good faith negotiations."

22. Section 4.2.1 ("LB Services"). Section 4.2.1 shall be amended to read in its entirety as follows:

    "Recover ampoules of the cell bank for the Cell Line and expand cultures to complete airlift fermentation at ***** ***** scale in the ***** ***** Manufacturing Suite, using the Large-Scale Process for the Large-Scale Product. Each Batch shall be produced as one lot from one ampoule of the cell bank."

23. Section 4.2.2 ("LB Services"). Section 4.2.2 shall be amended to read in its entirety as follows:
"Clarify culture supernatant and purify using the Large-Scale Process."

24. Section 4.2.6 ("Issue a certificate of analysis"). Section 4.2.6 shall be amended to read in its entirety as follows:

    "Issue a certificate of analysis sixty four (64) days from the date of bulk fill of the Product or such later date as reasonably requested by Alexion"

25. Section 5.1 (“Forecast Order”). Section 5.1 shall be amended to read in its entirety:

> “Alexion shall notify LB in writing of the projected Batches to be manufactured in each year of the initial term of the Agreement and such subsequent years as applicable, refer to the current Forecast Order, refer to Attachment 1. The Forecast Order shall be Alexion’s best estimate for Batches to be manufactured in each year of the Agreement. The projected Commencement date for manufacture of such Batches in each calendar year shall be provided by LB and may be revised by LB to any other date within the same calendar year upon written notice thereof to Alexion. LB may not revise the Commencement date for manufacture of any Batch under this Section 5.1 after Alexion submits a Binding Order in respect thereof under Section 5.2. For the avoidance of doubt, however, LB does retain rights to revise Commencement dates in accordance with Section 5.2.”

26. Section 5.2 (“Binding Order”). Section 5.2 shall be amended to read in its entirety:

> “Not later than ** months before the beginning of any calendar quarter, Alexion shall notify LB in writing of the actual number of Batches it is ordering for commencement in that quarter, with indicated Commencement dates, which shall be deemed the date scheduled for the start of manufacture hereunder. Upon LB’s receipt of such order a “Binding Order” shall arise in respect of the number of ordered Batches that is equal to or fewer than the number set forth for such quarter in the Forecast Order. LB shall notify Alexion within 30 days of receipt of such notice whether it can Commence additional Batches requested by Alexion during such calendar quarter, in which case the number of additional Batches it can Commence will be added to the Binding Order. LB shall use commercially reasonable efforts to manufacture any additional Batches requested by Alexion. Under a “Binding Order” LB shall be committed to manufacture such Batches and Alexion shall be committed to pay for such Batches, in accordance with the terms of this Agreement. LB may revise the Commencement date of any Batch subject to a Binding Order, but not by more than 3 months without Alexion’s written consent.

27. Section 6.2 (“Scheduling of Suite Use Periods”). Section 6.2 shall be deleted in its entirety and the words “This Clause left intentionally blank” shall be inserted in its stead.

28. Section 6.5 (“Procedure to Cure Supply Deficiencies”). Section 6.5 shall be amended to read in its entirety as follows:

> “If there is a Supply Deficiency, LB shall increase the then current Large-Scale Product campaign (or if no longer current, then the next succeeding

Large-Scale Product campaign if not remedied beforehand) by ***** ***** and take one or more of the following steps to remedy any remaining Supply Deficiency, as determined by the Steering Committee:"

29. Sections 6.5.1 and 6.5.2 ("Procedure to Cure Supply Deficiencies"). Sections 6.5.1 and 6.5.2 shall be amended as follows:

The phrase "Large Scale Manufacturing Suite" found therein shall in each case be deleted and replaced by the phrase "***** ***** Manufacturing Suite."

30. Section 6.6 ("Pro Rata Allocation"). Section 6.6 shall be amended as follows:

The phrase "Large Scale Manufacturing Suite" found therein shall in each case be deleted and replaced by the phrase "***** ***** Manufacturing Suite."

31. Section 6.8 ("Supply Failure"). Section 6.8 shall be amended to read in its entirety as follows:

"If a Supply Deficiency arises such that LB is unable (or the Parties agree that there is no reasonable likelihood that LB will be able) to Deliver to Alexion at least *** of the Batches agreed to be Delivered in any *** period, then such event shall constitute a Supply Failure."

Sections 6.8.1, 6.8.2, and 6.8.3 shall remain as written in the Large-Scale Product Supply Agreement.

32. Section 8.2.1 ("Function of Steering Committee"). Section 8.2.1 shall be amended as follows:

a. the Phrase "Large Scale Manufacturing Suite" shall be deleted and replaced by the phrase "***** ***** Manufacturing Suite;" and

b. the phrase "status of the construction and" shall be deleted.

33. Section 11.1 ("Regulatory Support and Audits"). In line 10 of Section 11.1, the sentence beginning with "In addition, LB shall" and every following sentence in the Section shall be replaced with the following:

"In addition, LB shall allow, and the Price has been further calculated to include,

a. "an Alexion employee or consultant located at the ***** ***** Manufacturing Suite (i.e., a man-in-plant) for a period of up to two (2) months prior to Commencement of each Batch, to no longer than one (1) month past final release by LB for each Batch manufactured.

b. "Batch record audits of each Batch shall be permitted and copies of documentation can be provided upon request without additional cost to Alexion."

c. "those costs incurred by LB in completion of the Pre-Approval Inspection (PAI) for the Product."

34. Section 11.4 ("Additional Audits"). Section 11.4 shall be amended as follows:

The phrase "Large-Scale Manufacturing Suite" found therein shall in each case be deleted and replaced by the phrase "******* ******* Manufacturing Suite."

35. Section 12.1 ("Request by Alexion"). Section 12.1 shall be amended as follows:

The phrase "Large-Scale Manufacturing Suite" found therein shall in each case be deleted and replaced by the phrase "******* ******* Manufacturing Suite."

36. Section 13.1.1 ("Price for Services"). Section 13.1.1 shall be amended to read in its entirety as follows:

a. "The Batch Price for the ********* Pre-Validation ********* is **************; the Batch Price for the ********** Pre-Validation ********* is **************.

b. "The Batch Price for ******** ******* Process Validation **** is ************** per Batch; and the Batch Price for the ***** and later Validation Batches, if any, is **************. The aforementioned Batch Price shall be revised in the event that cycles are lost during processing of the Validation Batches that are solely attributable to LB execution of the Process. The Batch Price shall be revised for such lost cycles by the Success Ratio as defined below:

$$\text{******* *****} = \frac{\text{******* * *******}}{\text{******* * *****}} \times \frac{\text{* ********* *******}}{\text{* ********* *****}} \times \frac{\text{* ******* *******}}{\text{* ******** *****}}$$

c. "The Batch Price for Batches Commenced on or prior to December 31, 2008 (other than the * Batches referred to in clauses (a) and (b) above) shall be ************** per Batch subject to an annual PPI adjustment in accordance with Section 13.3.1. The aforementioned Batch Price shall be revised in the event that cycles are lost during processing of the Batch by the Success Ratio as defined below:"

$$\text{******* *****} = \frac{\text{******* * *******}}{\text{******* * *****}} \times \frac{\text{* ********* *******}}{\text{* ********* *****}} \times \frac{\text{* ******* *******}}{\text{* ******** *****}}$$

37. Section 13.1.2 (“Price for Services”). Section 13.1.2 shall be amended to read in its entirety as follows:

“If Batches additional to the Minimum Order of ****** **** covered by this Agreement are requested by Alexion, the Batch Price for the ********** and all Batches beyond shall be ********** subject to an annual PPI adjustment in accordance with Section 13.3.1.

38. Section 13.1.3 (“Price for Services”). Section 13.1.3 shall be deleted in its entirety and the words “This Clause left intentionally blank” shall be inserted in its stead.

39. Section 13.2 (“Minimum Order Requirements”). Section 13.2 shall be ****** **** Batches ordered, other than **** *** Pre-Validation and **** *** Validation Batches.

40. Section 13.3.1 (“Batch Price Adjustments”). Section 13.3.1 shall be amended as follows:

a. In the first line the words “on the suite Use Commencement Date and thereafter effective” shall be removed; and

b. the date “December 31, 2001” found in the fourth line shall be deleted and replaced by the date “December 31, 2006.”

41. Section 13.3.2 (“Batch Price Adjustments”). Section 13.3.2 shall be deleted in its entirety and the words “this clause left intentionally blank” shall be inserted in its stead.

42. Section 13.3.3 (“Batch Price Adjustments”). Section 13.3.3 shall be deleted in its entirety and the words “This Clause left intentionally blank” shall be inserted in its stead.

43. Section 13.7 (“Raw Materials Fee”). Section 13.7 shall be deleted in its entirety and the words “This Clause left intentionally blank” shall be inserted in its stead.

44. Section 13.8 (“Payment of Raw Materials Fee”). Section 13.8 shall be deleted in its entirety and the words “This Clause left intentionally blank” shall be inserted in its stead.

45. Section 13.9 (“Price for Undelivered Large-Scale Product”). All provisions of Section 13.9 other than the first sentence and last sentence thereof shall be deleted.

46. Section 13.10 (“Consistency Batches”). Section 13.10 shall be amended to read in its entirety as follows:

“Validation Batches. In respect of each Validation Batch which is manufactured by LB but not Delivered to Alexion, or that otherwise does not satisfy the Specifications, Alexion shall pay *** of the Batch Price;

provided, however, that Alexion shall not pay such amounts in respect of Batches that are not Delivered or do not satisfy the Specifications due to the breach, gross negligence, or willful misconduct of LB, and provided further that the Batch Price invoiced for any Validation Batch that is not Delivered due to a failure of the Batch in a reactor prior to the first seed reactor of the Fermenter Train shall be credited towards the Batch Price due for the replacement Validation Batch thereof. Notwithstanding the foregoing, in the event that LB has conducted a number of runs of the Large-Scale Process that is equal to ***** ***** the number of Validation Batches required by the U.S. FDA and in the event that pursuant to Section 6.3 Alexion requests LB to conduct additional runs of the Large-Scale Process, then Alexion shall pay **** of the Batch Price in respect of each additional Validation Batch which is manufactured by LB but not Delivered to Alexion, or that otherwise does not satisfy the Specifications; provided, however, that Alexion shall not pay such amounts in respect of Batches that are not Delivered or do not satisfy the Specifications due to the breach, gross negligence, or willful misconduct of LB, and provided further that the Batch Price invoiced for any Validation Batch that is not Delivered due to a failure of the Batch in a reactor prior to the first seed reactor of the Fermenter Train shall be credited towards the Batch Price due for the replacement Validation Batch thereof.

47. Section 13.15 ("Advance"). Section 13.15 shall be amended to read in its entirety as follows:

"Alexion will pay to LB the sum of five million dollars ($5,000,000) on or before August 1, 2004, which sum is the Advance hereunder. For the avoidance of doubt, Alexion is entitled to utilize $1,500,000 as a credit against such Advance in accordance with Section 1 of this Amendment 1."

48. Section 13.16 ("$10 Million Sales Milestone"). Section 13.16 shall be deleted in its entirety and the words "This Clause left intentionally blank" shall be inserted in its stead.

49. Section 13.17 ("$15 Million Yield Milestone"). Section 13.17 shall be deleted in its entirety and the words "This Clause left intentionally blank" shall be inserted in its stead.

50. Section 18.1 ("Termination Without Cause"). Section 18.1 shall remain as written in the Agreement, but Subsections 18.1.1, 18.1.2 and 18.1.3 shall be deleted in their entirety and replaced with the following:

"18.1.1. If Alexion terminates this Agreement pursuant to this Section, by notice delivered on or prior to 30th September 2006, Alexion will pay to LB the Fee identified in Table-1 below that is consistent with the Forecast Order in Attachment 1. LB may retain amounts, if any, paid under this

provision in full, with no obligation to use good faith efforts to reduce such amounts through mitigation."

Table-1

Notice of Termination	Termination Payment
Q2 2004	$*
Q3 2004	$*
Q4 2004	$*
Q1 2005	$*
Q2 2005	$*
Q3 2005	$*
Q4 2005	$*
Q1 2006	$*
Q2 2006	$*
Q3 2006	$*

18.1.2. If Alexion terminates this Agreement pursuant to this Section 18.1.2 on or after the 1st October 2006, Alexion will pay *** of the Batch Price for all Batches scheduled for start of manufacture within six (6) months of such notice, and *** of the Batch Price for all Batches scheduled for start of manufacture between six (6) months and one (1) year of such notice. LB may retain any amount paid under this provision in full, with no obligation to use good faith efforts to reduce such amounts through mitigation.

51. Section 18.2 ("Decrease in Minimum Order"). Section 18.2 shall be amended to read in its entirety as follows:

"Decrease in Minimum Order. Alexion may order fewer than ***** **** Batches during the initial term. In such event, Alexion will pay Lonza a percentage of the then current Batch Price for each Batch fewer than ***** **** as calculated by the following method:

Batches Below Minimum	Cancellation Fee
1-6	****
7-12	****
13-20	****

By way of example, if Alexion ordered ** Batches then the cancellation fee is calculated as follows: ******** * ********** **********. Such amounts will be paid on the final day of the initial Term, and Lonza will have no obligation to use good faith efforts to reduce such amounts through mitigation."

52. This Amendment 1 constitutes the full and entire understanding and agreement between the Parties with regard to the subjects of this Amendment 1 and supersedes any prior understandings, agreements, amendments or representations by or between the Parties, written, or oral, to the extent they relate in any way to the subjects of this Amendment 1.

53. Any Section in the Agreement not modified by this Amendment 1 shall remain unchanged.

54. If there are any conflicts between the Agreement and this Amendment 1 the terms of this Amendment 1 shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment 1 to be effective on the date first set forth above (the Effective Date).

Lonza	Alexion
/s/ G. F. Klement	/s/ David Keiser
Signature	Signature
G. F. Klement, Chief Operating Officer	David Keiser, President & Chief Executive Officer
Printed Name and Title	Printed Name and Title

ATTACHMENT 1

Forecast Order for Eculizumab Production

Batch	OOF	Release
*** **	** ** ***** ** **** **	*** **
*** **	*** **	*** **
*** **	** *** **	*** **
** **	** *** **	*** **
** **	** *** **	*** **
** **	** *** **	*** **
** **	** *** **	*** **
* ********	** *** ****	** ****
* ********	** *** ****	** ****
* ********	** *** ****	***** ****

1. The above Forecast Order must be confirmed by Parties as a Binding Order at a minimum of ******** **** months from start date (OOF) at which time the Forecast Order shall become a Binding Order.

2. Lonza shall provide test results (other than viral testing) from the ***** batch to Customer a minimum of two (2) weeks prior to the OOF date of *****

Exhibit 31.1

I, Leonard Bell, M.D., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alexion Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 4, 2004

/s/ LEONARD BELL, M.D.

Leonard Bell, M.D.
Chief Executive Officer

Exhibit 31.2

I, Carsten Boess, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alexion Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 4, 2004

/s/ CARSTEN BOESS

Carsten Boess
Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Alexion Pharmaceuticals, Inc. (the "Company") for the quarter ended April 30, 2004 as filed with the Securities and Exchange Commission (the "Report"), the undersigned, Leonard Bell M.D., Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 4, 2004

/s/ LEONARD BELL, M.D.

Leonard Bell, M.D.
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Alexion Pharmaceuticals, Inc. (the "Company") for the quarter ended April 30, 2004 as filed with the Securities and Exchange Commission (the "Report"), the undersigned, Carsten Boess, Vice President and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 4, 2004

/s/ CARSTEN BOESS

Carsten Boess
Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.