SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

X Quarterly report pursuant to Section 13 or 15(d) of the Securities
- --- Exchange Act of 1934: For the quarterly period ended April 30, 2000

OR

Transition report pursuant to Section 13 or 15(d) of the Securities
- --- Exchange Act of 1934:
For the transition period from _____ to _____

Commission file number: 0-27756

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

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

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

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

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

Yes X No
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CLASS	OUTSTANDING AT JUNE 12, 2000
Common Stock, $0.0001 par value	15,095,810 shares

ALEXION PHARMACEUTICALS, INC.

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ALEXION PHARMACEUTICALS, INC.

Consolidated Balance Sheets
(amounts in thousands)

	April 30, 2000	July 31, 1999
	(UNAUDITED)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 168,764	$ 24,238
Marketable securities	6,766	4,090
Reimbursable contract costs: billed	4,687	4,577
unbilled	961	2,285
Prepaid expenses	573	472
Total current assets	181,751	35,662
Fixed Assets, net of accumulated depreciation and amortization	8,494	7,413
Deferred financing costs, net	3,787	--
Security deposits and other assets	907	1,299
TOTAL ASSETS	$ 194,939	$ 44,374
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of notes payable	$ 368	$ 368
Accounts payable	1,672	3,544
Accrued expenses	2,103	2,328
Deferred revenue	750	450
Total current liabilities	4,893	6,690
Notes payable - noncurrent	4,106	4,383
Convertible subordinated notes	120,000	--
Stockholders' Equity:		
Common stock $.0001 par value; 25,000 shares authorized; 15,087 and 11,304 shares issued at April 30, 2000 and July 31, 1999, respectively	2	1
Additional paid-in capital	128,060	80,287
Accumulated deficit	(62,122)	(46,987)
Treasury stock, at cost; 12 shares	--	--
Total stockholders' equity	65,940	33,301
TOTAL LIABILITIES AND NET STOCKHOLDERS' EQUITY	$ 194,939	$ 44,374

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

ALEXION PHARMACEUTICALS, INC.

Consolidated Statement of Operations
(UNAUDITED)
(amounts in thousands, except per share amounts)

	Three months ended April 30,		Nine months ended April 30,	
	2000	1999	2000	1999
CONTRACT RESEARCH REVENUES	$ 4,483	$ 12,374	$ 17,450	$ 12,799
OPERATING EXPENSES:				
Research and Development	10,438	5,669	31,418	14,134
General and Administrative	1,196	717	2,961	2,135
Total Operating Expenses	11,634	6,386	34,379	16,269
OPERATING INCOME (LOSS)	(7,151)	5,988	(16,929)	(3,470)
Interest Income	1,937	468	3,045	1,426
Interest Expense	(1,013)	(76)	(1,159)	(198)
Other Expense	(92)	(82)	(92)	--
OTHER INCOME, net	832	310	1,794	1,228
NET INCOME (LOSS)	($ 6,319)	$ 6,298	($15,135)	($ 2,242)
BASIC NET INCOME (LOSS) PER COMMON SHARE (Note 3)	($ 0.42)	$ 0.56	($ 1.11)	($ 0.20)
SHARES USED IN COMPUTING BASIC NET INCOME (LOSS) PER COMMON SHARE	15,020	11,283	13,657	11,258
DILUTED NET INCOME PER COMMON SHARE (Note 3)		$0.53		
SHARES USED IN COMPUTING DILUTED NET INCOME PER COMMON SHARE		11,890		

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,	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	($ 15,135)	($ 2,242)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,093	591
Compensation expense related to grant of stock options	148	82
Change in assets and liabilities:		
Reimbursable contract cost	1,214	(4,471)
Prepaid expenses	(101)	(56)
Accounts payable	(1,872)	2,100
Accrued expenses	(133)	68
Deferred revenue	300	383
Net cash used in operating activities	(14,486)	(3,545)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase) sale of marketable securities, net	(2,676)	459
Purchases of fixed assets	(2,174)	(885)
Licensed technology costs	--	(75)
Patent application costs	--	(5)
Net cash used in investing activities	(4,850)	(506)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of common stock	47,626	364
Issuance of convertible subordinated note, net of expenses	116,121	--
Repayments of notes payable	(277)	(277)
Security deposits and other assets	392	414
Net cash provided by financing activities	163,862	501
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	144,526	(3,550)
CASH and CASH EQUIVALENTS, beginning of period	24,238	31,509
CASH AND CASH EQUIVALENTS, end of period	$ 168,764	$ 27,959
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	$ 305	$ 57
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES		
Fixed assets acquired pursuant to seller financing	$ --	$ 3,920

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

1. OPERATIONS AND BASIS OF PRESENTATION -

Alexion Pharmaceuticals, Inc. ("Alexion" or the "Company") was organized in 1992 and is engaged in the development of proprietary products for the treatment of cardiovascular, autoimmune and neurologic disorders. The Company is currently conducting Phase II clinical trials for its two lead C5 Inhibitor product candidates, 5G1.1-SC and 5G1.1. The Company is also developing Apogen immunotherapeutic products to treat T-cell related disorders and is developing therapies employing the transplantation of cells from other species into humans known as xenotransplantation.

On March 8, 2000, the Company completed a $120 million private placement of 5.75% Convertible Subordinated Notes due March 15, 2007. The offering was made through initial purchasers to qualified institutional buyers under Rule 144A of the Securities Act of 1933. The notes will be convertible into shares of the Company's common stock at a price equal to $106.425 per share (See Note 7).

The Company has incurred consolidated losses since inception and has made no product sales to date.

The Company may need additional financing to obtain regulatory approvals for its product candidates, fund operating losses, and if deemed appropriate, establish manufacturing, sales, marketing and distribution capabilities.

The Company expects to incur substantial expenditures in the foreseeable future for the research and development and commercialization of its products. The Company will seek to raise necessary funds through public or private equity or debt financings, bank loans, collaborative or other arrangements with corporate sources, or through other sources of financing.

The accompanying consolidated financial statements include Alexion Pharmaceuticals, Inc. and its wholly-owned subsidiary Columbus Farming Corporation ("Columbus"). Columbus was formed on February 9, 1999 to acquire certain manufacturing assets from United States Surgical Corporation ("US Surgical") (See Note 6). All significant inter-company balances and transactions have been eliminated in consolidation.

The consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and include, in the opinion of management, all adjustments, consisting of normal, recurring adjustments, necessary for a fair presentation of interim period results. Certain information and footnote disclosures normally included in financial statements prepared in

accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The results for the interim periods presented are not necessarily indicative of results to be expected for any future period. These consolidated condensed financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Form 10-K Annual Report for the fiscal year ended July 31, 1999, as amended.

2. CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES -

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

The Company invests in marketable securities of highly rated financial institutions and investment-grade debt instruments and limits the amount of credit exposure with any one entity. The Company has classified its marketable securities as "available for sale" and, accordingly, carries such securities at aggregate fair value. Unrealized gains or losses are included in stockholders' equity as a component of additional paid-in capital.

3. NET INCOME (LOSS) PER SHARE -

The Company computes and presents net loss per common share in accordance with Statement of Financial Accounting Standard (SFAS) No. 128, "Earnings Per Share". Basic income (loss) per common share are based on the average number of common shares outstanding during the year. Diluted income per common share assumes in addition to the above, a dilutive effect of common share equivalents during the year. Common share equivalents represent dilutive stock options, warrants, and convertible subordinated debt. There is no difference in basic and diluted net loss per common share for the nine months ended April 30, 2000 and 1999 and the three months ended April 30, 2000 as the effect of common share equivalents is anti-dilutive.

4. REVENUES -

Contract research revenues recorded by the Company consist of research and development support payments, license fees, and milestone payments under collaboration with third parties and amounts received from various government grants.

Research and development support revenues are recognized as the related work and expenses are incurred under the terms of the contracts for development activities. Revenues derived from the achievement of milestones are recognized when the milestone is achieved. Non-refundable license fees received in exchange for specific rights to the Company's technologies, research, potential products and markets are recognized as revenues as earned in accordance with the terms of the contracts (See Note 5).

Unbilled reimbursable contract costs as shown on the accompanying consolidated balance sheets represent reimbursable costs incurred in connection with research contracts which have not yet been billed. The Company bills these costs and recognizes the costs and related revenues in accordance with the terms of the contracts.

Deferred revenue results from cash received in advance of revenue recognition under research and development contracts.

Revenues recorded during the three and nine months ended April 30, 2000 and 1999 consist of license fees, research and development support, reimbursement of costs related to clinical development and manufacturing of clinical supplies under the collaboration agreement with Procter & Gamble Pharmaceuticals Inc. ("P&G"). Revenues also include funding from the Commerce Department's National Institute of Standards and Technology ("NIST") through grants from the Advanced Technology Program.

In November 1997, the Company and US Surgical were awarded a three-year, $2 million cooperative agreement from NIST to fund a joint xenotransplantation project. This agreement was modified into a single entity (Alexion only) agreement in February 1999. In October 1998, the Company was awarded another three-year $2 million agreement from NIST to fund a xenotransplantation project. In November 1999, the Company was awarded a three-year $2 million agreement from NIST to fund another xenotransplantation project.

In January 1999, the Company entered into an exclusive collaboration with P&G to develop and commercialize 5G1.1-SC. Under this collaboration, the Company will initially pursue the development of 5G1.1-SC for the treatment of inflammation caused by cardiopulmonary bypass surgery, myocardial infarction and angioplasty. The Company has granted P&G an exclusive license to the Company's intellectual property related to 5G1.1-SC, with the right to sublicense. P&G has agreed to fund all clinical development and manufacturing costs relating to 5G1.1-SC for these indications. In addition, under this agreement, P&G has agreed to pay the Company up to $95 million in payments, which include a non-refundable upfront license fee (See Note 5), as well as milestone and research and development support payments. In addition, the Company will receive royalties on worldwide sales of 5G1.1-SC for all indications. The Company has a

preferred position relative to third-party manufacturers to manufacture 5G1.1-SC worldwide. The Company shares co-promotion rights with P&G to sell, market and distribute 5G1.1-SC in the United States, and has granted P&G the exclusive rights to sell, market and distribute 5G1.1-SC outside of the United States.

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

	Three months ended		Nine months ended	
Collaboration/Grant Awards	2000	1999	2000	1999
P&G	$4,142	$12,145	$16,211	$12,145
NIST and NIH	341	229	1,239	487
Other	-	-	-	167
	$4,483	$12,374	$17,450	$12,799

5. RECENTLY ISSUED ACCOUNTING STANDARDS -

Staff Accounting Bulletin No. 101 (SAB 101), Revenue Recognition, was issued in December 1999. SAB 101 will require companies to recognize certain up-front non-refundable fees over the life of the related collaboration agreement when such fees are received in conjunction with collaboration agreements which have multiple elements. The Company is required to adopt this new accounting principle through a cummulative charge to retained earnings through the statement of operations, in accordance with the provisions of APB Opinion No. 20, no later than the first quarter of fiscal 2001. The Company believes that the adoption of SAB 101 will have a material impact on its future operating results as it applies to the $10.0 million up-front non-refundable payment received by it in connection with its collaboration with Procter & Gamble. The Company's historical financial statements reflect this payment as revenue in the year ended July 31, 1999 and the quarter ended April 30, 1999. Based on guidance currently available, the Company will be required to record the $10.0 million fee as revenue over the future life, as defined, of the collaboration agreement. As of April 30, 2000, the Company had not yet adopted this new accounting principle.

6. NOTES PAYABLE -

In November 1998, a term loan was used to finance the purchase of capital equipment. The term loan requires quarterly principal payments of $92,000 commencing August 3, 1998 and payable through August 2001. The balance on the note was $554,000 at April 30, 2000. The term loan agreement requires the Company to maintain a restricted cash balance equal to 115% of the outstanding loan balance plus accrued interest in an interest bearing account as collateral for the note. This restricted cash balance is included in other assets in the accompanying consolidated balance sheets.

In February 1999, the Company acquired manufacturing assets for the xenotransplantation program developed by US Surgical, a subsidiary of Tyco International Ltd., and financed the purchase with a note payable bearing interest at 6% per annum, in the amount of approximately $3.9 million due in May 2005. The note is secured by certain manufacturing assets of Columbus. Interest on the note is payable quarterly.

7. CONVERTIBLE SUBORDINATED NOTES -

In March 2000, the Company 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.

The notes are subordinated to all of the Company's existing and future senior indebtedness and are effectively subordinated to all of the indebtedness and other liabilities (including trade and other payables) of the Company and its subsidiaries. The indenture governing the notes does not limit the amount of indebtedness, including senior indebtedness, which the Company and its subsidiaries may incur.

Noteholders may require the Company to repurchase their notes upon a repurchase event (as described in the offering) in cash, or, at the option of the Company, in common stock, at 105% of the principal amount of the notes, plus accrued and unpaid interest.

The notes are not entitled to any sinking fund. At any time or from time to time on or after March 20, 2003 and ending on March 14, 2007, the Company may redeem some or all the notes on at least 30 days' notice as a whole or, from time to time, in part at certain premiums over the principal amount plus accrued interest.

In May 2000, pursuant to a registration rights agreement, the Company filed a registration statement under the Securities Act of 1933 with the SEC to register resales of the notes and the shares of common stock into which the notes are convertible. The registration statement has not yet been declared effective by the SEC.

The Company 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 into interest expense over the seven-year term of the notes. Amortization expense associated with the financing costs was $92,000 for the three months ended April 30, 2000.

8. EQUITY -

In November 1999, the Company sold 3.415 million shares of common stock at a price of $14.00 per share in a follow-on public offering resulting in net proceeds of approximately $44.4 million to the Company.

9. COMPREHENSIVE INCOME (LOSS) -

SFAS No. 130 "Reporting Comprehensive Income" establishes standards for reporting and display of comprehensive income (loss) and its components in a full set of general purpose financial statements. The objective of SFAS No. 130 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. There was no significant difference in comprehensive loss and net loss for the three and nine month periods ended April 30, 2000 and 1999.

10. SUBSEQUENT EVENT -

In May 2000, the Company entered into a new lease for its headquarters and research and development facility in Cheshire, Connecticut. The lease is expected to commence in August 2000 and has a term of ten years and six months. The monthly fixed rent is expected to start at approximately $80,000. The Company's occupancy of this lease, however, is contingent upon the timely departure of the current tenant and subsequent additional work to be completed by the landlord.

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 THE FORWARD-LOOKING STATEMENTS. FACTORS THAT MIGHT CAUSE OR CONTRIBUTE TO SUCH DIFFERENCES INCLUDE, BUT ARE NOT LIMITED TO THOSE DISCUSSED IN EXHIBIT 99.1 TO OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JULY 31, 1999, AS AMENDED.

OVERVIEW

We are engaged in the development of products for the treatment of cardiovascular, autoimmune and neurologic diseases caused by undesired effects of the human immune system. Since our inception in January 1992, we have devoted substantially all of our resources to drug discovery, research and product development. In 1998, we began to focus more of our resources in clinical testing and trials. Our two lead product candidates are currently in seven clinical development programs. 5G1.1-SC, in collaboration with Procter & Gamble, is in a Phase IIb cardiopulmonary bypass efficacy trial and in two 1000 patient Phase II myocardial infarction (heart attack) efficacy trials. 5G1.1 is in a Phase II efficacy trial for the chronic treatment of rheumatoid arthritis and a Phase II efficacy trial for the treatment of membranous nephritis. In addition, we are commencing three separate Phase Ib pilot studies for treatment of psoriasis, dermatomyositis and pemphigoid all using 5G1.1. To date, we have not received any revenues from the sale of products. We have incurred operating losses since we began our operations. As of April 30, 2000, we had an accumulated deficit of $62.1 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 and scale-up and developing a sales and marketing force.

We plan to develop and commercialize on our own those product candidates for which the clinical trials and marketing requirements can be funded by our own resources. For those products for which greater resources will be required, our strategy is to form corporate partnerships with major pharmaceutical companies for product development and commercialization. In January 1999, we entered into a collaboration agreement with Procter & Gamble Pharmaceuticals to develop and commercialize one of our C5 Inhibitor products, 5G1.1-SC, for various acute cardiovascular indications such as cardiopulmonary bypass, heart attack, and angioplasty. We are enrolling up to 1000 patients in a Phase IIb efficacy trial with 5G1.1-SC in patients undergoing cardiopulmonary bypass during coronary artery bypass graft surgery and we have commenced enrolling up to 1000 patients each in two Phase IIb efficacy studies in

myocardial infarction (heart attack) patients receiving thrombolytic therapy and myocardial infarction (heart attack) patients receiving angioplasty. As of April 30, 2000 we have completed enrolling up to 200 rheumatoid arthritis patients in a Phase IIb efficacy study with 5G1.1 and 150 patients in a Phase IIb efficacy trial in membraneous nephritis.

RESULTS OF OPERATIONS

THREE MONTHS ENDED APRIL 30, 2000
COMPARED WITH THREE MONTHS ENDED APRIL 30, 1999

We earned contract research revenues of $4.5 million for the three months ended April 30, 2000 and $12.4 million for the same period ended April 30, 1999. This decrease was primarily due to the one-time license fee of $10.0 million we received in February 1999 from the start of our collaborative agreement with Procter & Gamble.

We incurred research and development expenses of $10.4 million for the three months ended April 30, 2000 and $5.7 million for the three months ended April 30, 1999. The increase resulted principally from costs associated with our expanded clinical trial programs which include several Phase II efficacy studies for our lead C5 Inhibitors, 5G1.1-SC and 5G1.1, and the cost of manufacturing development and manufacturing of our C5 Inhibitors for our clinical trials.

Our general and administrative expenses were $1.2 million for the three months ended April 30, 2000 and $717,000 for the three months ended April 30, 1999. This increase resulted principally from higher payroll-related costs, as well as higher facilities expenses and other professional fees primarily public relations and patent/legal costs.

Other income, net, was $832,000 for the three months ended April 30, 2000 and $310,000 for the three months ended April 30, 1999. The increase in interest income of $1.5 million resulted from higher cash balances which were obtained from the net proceeds relating to the 5.75% Subordinated Convertible Notes of $120 million private placement and follow-on public offering. This was offset by interest expense of $946,000 from the 5.75% Subordinated Convertible Notes and amortization expense of $92,000 associated with the financing costs of the notes.

As a result of the above factors, we incurred a net loss of $6.3 million for the three months ended April 30, 2000 and net income of $6.3 million for the three months ended April 30, 1999.

NINE MONTHS ENDED APRIL 30, 2000
COMPARED WITH NINE MONTHS ENDED APRIL 30, 1999

We earned contract research revenues of $17.5 million for the nine months ended April 30, 2000 and $12.8 million for the same period ended April 30, 1999. This increase was due primarily to contract revenues from our collaborative agreement with Procter & Gamble for research and development support and clinical development and manufacturing related expense reimbursements.

We incurred research and development expenses of $31.4 million for the nine months ended April 30, 2000 and $14.1 million for the nine months ended April 30, 1999. The increase resulted principally from costs associated with our expanded clinical trial programs for our lead C5 Inhibitors, 5G1.1-SC and 5G1.1, and the cost of manufacturing development and manufacturing of our C5 Inhibitors for our clinical trials.

Our general and administrative expenses were $3.0 million for the nine months ended April 30, 2000 and $2.1 million for the nine months ended April 30, 1999. This increase resulted principally from higher payroll related costs, as well as higher facilities expenses and other professional fees primarily public relations and patent/legal costs.

Other income, net, was $1.8 million for the nine months ended April 30, 2000 and $1.2 million for the nine months ended April 30, 1999. The increase in interest income of $1.6 million resulted from higher cash balances which were obtained from the net proceeds relating to the 5.75% Subordinated Convertible Notes of $120 million private placement and follow-on public offering. This was offset by interest expense of $946,000 from the 5.75% Subordinated Convertible Notes and amortization expense of $92,000 associated with the financing costs of the notes.

As a result of the above factors, we incurred net losses of $15.1 million for the nine months ended April 30, 2000 and net losses of $2.2 million for the nine months ended April 30, 1999.

LIQUIDITY AND CAPITAL RESOURCES

As of April 30, 2000, we had working capital of $176.8 million, including $175.5 million of cash, cash equivalents and marketable securities. This compares with working capital at April 30, 1999 of $33.8 million, including $33.5 million of cash, cash equivalents and marketable securities. This increase in working capital was due to the increase in available cash from our sale of 5.75% Convertible Subordinated Notes and the follow-on public offering in November 1999.

In March 2000, we completed a $120 million private placement of our 5.75% Convertible Subordinated Notes due March 15, 2007. The notes bear interest 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. We incurred issuance costs related to this offering of approximately $4.0 million which are being amortized into interest expense over the seven-year term of the notes.

In November 1999, we sold 3.415 million shares of common stock at a price of $14.00 per share in a follow-on public offering, resulting in net proceeds of approximately $44.4 million to the Company.

We anticipate that our existing available capital resources with the proceeds of our sale of $120 million of 5.75% Convertible Subordinated Notes, together with the anticipated funding from the collaboration agreement with Procter and Gamble, will provide us adequate funding for the clinical testing of our C5 inhibitor product, 5G1.1-SC in cardiopulmonary bypass and acute coronary syndromes. We believe that our available capital resources, funding from existing grants and interest earned on available cash and marketable securities should be sufficient to fund our operating expenses and capital requirements as currently planned for at least the next thirty-six months. While we currently have no material commitments for capital expenditures, our future capital requirements will depend on many factors, including the progress of our research and development programs, progress and results of clinical trials, the time and costs involved in obtaining regulatory approvals, the costs involved in obtaining and enforcing patents and any necessary licenses, our ability to establish development and commercialization relationships, and the costs of manufacturing scale-up.

We expect to incur substantial additional costs, including costs associated with research, pre-clinical and clinical testing, manufacturing process development, and additional capital expenditures related to personnel and facilities expansion and manufacturing requirements in order to commercialize our products currently under development. In addition to funds we may receive from our collaboration with Procter & Gamble, we may need to raise or generate substantial additional funding in order to complete the development and commercialization of our product candidates. Our additional financing may include public or private equity offerings, bank loans and/or collaborative research and development arrangements with corporate partners. There can be no assurance that funds will be available on terms acceptable to us, if at all, or that discussions with potential collaborative partners will result in any agreements on a timely basis, if at all. The unavailability of additional financing could require us to delay, scale back or eliminate certain research and product development programs or to license third parties to commercialize products or technologies that we would otherwise undertake itself, any of which could have a material adverse effect.

In May 2000, we entered into a new lease for our headquarters and research and development facility in Cheshire, Connecticut. The lease is expected to commence in August 2000 and has a term of ten years and six months. Our occupancy of this lease, however, is contingent upon the timely departure of the current tenant and subsequent additional work to be completed by the landlord. We cannot be certain that either event will be completed in a timely manner. At this site, we will lease and occupy a total of 82,000 square feet of space, which includes approximately 35,000 square feet of research laboratories. We expect to incur initial leasehold improvements and relocation costs aggregating approximately $2.5 million. In addition, we will be required to pay a pro rata percentage of real estate taxes and operating expenses. Our monthly fixed rent is expected to start at approximately $80,000. Our pilot manufacturing plant, which is used for producing compounds for our current clinical trials, will remain in our current facility encompassing approximately 24,000 square feet of labs and offices at 25 Science Park, New Haven, Connecticut. Our current administrative and research and development facilities in New Haven are under one operating lease on a month-to-month basis. We are currently negotiating a longer-term arrangement of our facilities in New Haven. We believe the new space and our pilot manufacturing facility will be adequate for our activities.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS.

Interest income on the Company's marketable securities is carried in "Other income (expense)". The Company accounts for its 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 the 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 rate 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, the Company's future investment income may fall short of expectations due to changes in interest rates or the Company may suffer losses in principal if forced to sell securities which have seen a decline in market value due to changes in interest rates. The Company's marketable securities are held for purposes other than trading. The marketable securities as of April 30, 2000, had a weighted-average maturity of less than twelve months. The weighted-average interest rate on marketable securities at April 30, 2000 was 6.17%. The fair value of marketable securities held at April 30, 2000 was $6.8 million.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports

(a) Exhibits

Exhibit 10.1 Form of Agreement of Lease, between WE Knotter, L.L.C. and Alexion Pharmaceuticals, Inc.*

Exhibit 10.2 Employment Agreement, dated April 1, 2000, between the Company and Dr. Leonard Bell.

Exhibit 27 - Financial Data Schedule

*Incorporated by reference to the Company's Registration Statement filed on May 10, 2000 with the Securities and Exchange Commission.

(b) Form 8-K

Current Report on Form 8-K dated February 25, 2000, relating to the Company's announcement of intention to Offer Approximately $120 million Convertible Notes due 2007.

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 12, 2000

By: /s/ Leonard Bell, M.D.

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

Date: June 12, 2000

By: /s/ David W. Keiser

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

Date: June 12, 2000

By: /s/ Barry P. Luke

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

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") dated as of April 1, 2000 by and between Alexion Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and Leonard Bell, M.D. (the "Executive").

W I T N E S S E T H

WHEREAS, the Company and Executive are parties to that certain Employment Agreement dated as of April 1, 1997, as amended as of September 14, 1999 (the "Old Employment Agreement");

WHEREAS, the Old Employment Agreement expires on April 1, 2000 and the Company and Executive desire to enter into a new Employment Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. EMPLOYMENT, DUTIES AND ACCEPTANCE.

(a) The Company hereby employs the Executive, for the Term (as hereinafter defined), to render full-time services to the Company as Chief Executive Officer ("CEO") and President, and to perform such duties commensurate with such office as he shall reasonably be directed by the Board of Directors (the "Board") of the Company to perform, which duties shall be consistent with the provisions of the Bylaws in effect on the date hereof that relate to the duties of the CEO and President.

(b) The Executive hereby accepts such employment and agrees to render the services described above. The Executive further agrees to accept election and to serve during all or any part of the Term as a director of the Company without any compensation therefor other than that specified in this Agreement, if elected to such position by the shareholders of the Company. The Company shall use its best efforts to cause the Executive to be elected as a director and shall include him in the management slate for election as a director at every shareholders meeting at which his term as a director would otherwise expire.

(c) The principal place of employment of the Executive hereunder shall at all times during the Term be in the greater New Haven, Connecticut area, or other locations acceptable to the Executive, in his sole discretion.

(d) Notwithstanding anything to the contrary herein, although the Executive shall provide services as a full time employee, it is understood that the Executive, with notification to the Board of Directors, may (1) have non full-time academic appointments; (2) participate in professional activities; (3) be a member of

the scientific or medical advisory board or the Board of Directors of, or to act as a consultant to, other companies that do not directly compete with the Company; (4) publish academic articles; and (5) support non-competing external research programs (collectively, "Permitted Activities"); PROVIDED, however, that such Permitted Activities do not interfere with the Executive's duties to the Company.

2. TERMS OF EMPLOYMENT.

The term of the Executive's employment under this Agreement (the "Term") commenced as of April 1, 2000 (the "Effective Date") and shall end on the third anniversary thereof unless sooner terminated pursuant to Section 7 or 8 of this Agreement.

3. COMPENSATION.

(a) As full compensation for all services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive, during the Term, an annual base salary of not less than $332,000 for the first year of the Term. The Executive's annual salary hereunder for the remaining years of employment shall be determined by the Board of Directors or the Compensation Committee of the Board of Directors in their sole discretion but shall not be less than $332,000 for any such year.

(b) The Company agrees to grant at the time of its normal annual grant to employees for the current year (`Annual Grant Date") to Executive a nonqualified stock option, pursuant to a nonqualified stock option agreement substantially in the same form as the option agreement dated April 1, 1992 by and between the Executive and the Company, to purchase 100,000 shares of the Company's Common Stock (the "Options"), at an exercise price per share equal to the closing sale price of the Company's Common Stock as reported on the Nasdaq National Market System on such Annual Grant Date, such Options to become exercisable as to 34,000 shares on the first anniversary date of the date of grant and as to an additional 33,000 shares, on each successive anniversary date of the date of grant.

(c) The Company shall pay or reimburse the Executive for all reasonable expenses actually incurred or paid by him during the Term in the performance of his services under this Agreement, upon presentation of expense statements or vouchers or such other supporting information as it reasonably may require.

(d) The Executive shall be eligible to participate under any pension, group insurance or other so-called "fringe" benefits which the Company generally provides for its executives on terms no less favorable than those provided to other executives. In the event of the consummation of a Change in Control of the Company, all stock options previously granted and the options to be granted pursuant to Section

3(b) hereof shall immediately vest and remain fully exercisable through their original term with all rights.

4. OTHER BENEFITS.

In addition to all other benefits contained herein, the Executive shall be entitled to:

(1) Payment of health, disability, life, and medical malpractice insurance at regular rates with coverage reasonably satisfactory to the Executive; and

(2) Vacation time of 4 weeks per year taken in accordance with the vacation policy of the Company during the Term subject to fulfillment of duties.

5. CONFIDENTIALITY.

(a) The Executive acknowledges that, during the course of performing his services hereunder, the Company will be disclosing information to the Executive related to the Company's Field of Interest, Inventions, projects and business plans, as well as other information (collectively, "Confidential Information"). The Executive acknowledges that the Company's business is extremely competitive, dependent in part upon the maintenance of secrecy, and that any disclosure of the Confidential Information would result in serious harm to the Company.

(b) The Executive agrees that the Confidential Information only shall be used by the Executive in connection with his activities hereunder as an employee of the Company, and shall not be used in any way that is detrimental to the Company.

(c) The Executive agrees not to disclose, directly or indirectly, the Confidential Information to any third person or entity, other than representatives or agents of the Company. The Executive shall treat all such information as confidential and proprietary property of the Company.

(d) The term "Confidential Information" does not include information that (1) is or becomes generally available to the public other than by disclosure in violation of this Agreement, (2) was within the relevant party's possession prior to being furnished to such party, (3) becomes available to the relevant party on a nonconfidential basis or (4) was independently developed by the relevant party without reference to the information provided to the Company.

(e) The Executive may disclose any Confidential Information that is required to be disclosed by law, government regulation or court order. If disclosure is required, the Executive shall if reasonably possible give the Company advance notice

so that the Company may seek a protective order or take other action reasonable in light of the circumstances.

(f) Upon termination of this Agreement, the Executive shall promptly return to the Company all materials containing Confidential Information, as well as data, records, reports and other property, furnished by the Company to the Executive or produced by the Executive in connection with services rendered hereunder. Notwithstanding such return or any other provision of this Agreement, the Executive shall continue to be bound by the terms of the confidentiality provisions contained in this Section 5 for a period of three years after the termination of this Agreement.

6. NON-COMPETITION.

(a) During the Term, the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity without the consent of the Board of Directors, such consent not to be unreasonably withheld, or (2) participate in the formation of any business or commercial entity without the consent of the Board of Directors, such consent not to be unreasonably withheld; provided, however, that nothing contained in this Section 6(a) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) not exceeding 2% of such corporation's (or other entity's) then outstanding shares of capital stock; and provided, further, that nothing contained herein shall be deemed to limit Executive's Permitted Activities pursuant to Section 1(d).

(b) If Executive is terminated by the Company for Cause or if Executive terminates this Agreement in violation of the provisions of this Agreement, for a period of one year following the date of termination, the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity engaged primarily in the Company's Field of Interest or (2) participate in the formation of any business or commercial entity engaged primarily in the Company's Field of Interest; provided, however, that nothing contained in this Section 6(b) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) in the Company's Field of Interest not exceeding 2% of such corporation's (or other entity's) then outstanding shares of capital stock; and provided, further, that nothing contained herein shall be deemed to limit Executive's Permitted Activities pursuant to Section 1(d). This Section 6(b) shall be subject to written waivers that may be obtained by the Executive from the Company.

(c) If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of this Section 6, the Company shall have the right and remedy to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company.

(d) If any of the covenants contained in Section 5, 6 or 10, or any part thereof, is hereafter construed to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants, which shall be given full effect without regard to the invalid portions.

(e) If any of the covenants contained in Section 5, 6 or 10, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision and, in its reduced form, such provision shall then be enforceable.

(f) The parties hereto intend to and hereby confer jurisdiction to enforce the covenants contained in Sections 5, 6 and 10 upon the courts of any state within the geographical scope of such covenants. In the event that the courts of any one or more of such states shall hold any such covenant wholly unenforceable by reasons of the breadth of such scope or otherwise, it is the intention of the parties hereto that such determination not bar or in any way affect the Company's right to the relief provided above in the courts of any other states within the geographical scope of such other covenants, as to breaches of such covenants in such other respective jurisdictions, the above covenants as they relate to each state being, for this purpose, severable into diverse and independent covenants.

7. TERMINATION BY THE COMPANY.

(a) The Company may terminate this Agreement if any one or more of the following shall occur:

(1) The Executive shall die during the Term; PROVIDED, HOWEVER, that the Executive's legal representatives shall be entitled to receive his Salary through the last day of the month in which his death occurs.

(2) The Executive shall become physically or mentally disabled so that he is unable substantially to perform his services hereunder for (a) a period of 120 consecutive days, or (b) for shorter periods aggregating 180 days during any twelve-month period. Notwithstanding such disability the Company shall continue to pay the Executive his Salary through the date of such termination.

(3) The Executive acts, or fails to act, in a- manner that provides Cause for termination. For purposes of this Agreement, the term "Cause" means (a) the willful and continual neglect by the Executive of his duties or obligations hereunder; PROVIDED such neglect remains uncured for a period of 30 days after written notice describing the same is given to the Executive; PROVIDED, that isolated and insubstantial failures shall not constitute Cause hereunder, (b) the conviction of the Executive of any felony involving moral turpitude, or (c) any act of fraud or embezzlement involving the Company or any of its Affiliates.

(4) The Executive engages in a wilful and material breach of the terms of Sections 5 and 6 of this Agreement and such breach continues uncured for 30 days after written notice of such breach is given by the Company to the Executive.

(b) All determinations of Cause or termination pursuant to this Section 7 shall require at least a two-thirds vote of the entire Board excluding the participation of Executive.

8. TERMINATION BY THE EXECUTIVE.

The Executive may terminate this Agreement on written notice to the Company if any one or more of the following shall occur:

(1) loss of any material duties or authority by the Executive and such loss continues for 30 days after written notice of such loss is given to the Company;

(2) a material breach of the terms of this Agreement by the Company and such breach continues uncured for 30 days after notice of such breach is first given; PROVIDED, however' it shall constitute the termination of this Agreement if such breach is for the payment of money and continues uncured for ten days after notice of such breach is given;

(3) a Change in Control occurs; provided that the Executive gives notice of termination within 90 days after such occurrence;

(4) a Prohibited Event (as defined in Section 14) occurs; provided that the Executive gives notice of termination within 90 days after such occurrence and such Prohibited Event is not remedied within 30 days of such notice;

(5) the Company shall make a general assignment for benefit of creditors; or any proceeding shall be instituted by the Company seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property or the Company shall take any corporate action to authorize any of the actions set forth above in this subsection 8(5);

(6) an involuntary petition shall be filed or an action or proceeding otherwise commenced against the Company seeking reorganization, arrangement or readjustment of the Company's debts or for any other relief under the Federal Bankruptcy Code, as amended, or under any other bankruptcy or insolvency act or law, state or federal, now or hereafter existing and shall remain undismissed or unstayed for a period of 30 days;

(7) a receiver, assignee, liquidator, trustee or similar officer for the Company or for all or any part of its property shall be appointed involuntarily; or

(8) a material breach by the Company of any other material agreement with the Executive and such breach continues for 30 days after notice of such breach is first, given; PROVIDED, HOWEVER, it shall constitute the termination of this Agreement if such breach is for the payment of money and continues uncured for ten days after notice of such breach is first given;

9. SEVERANCE.

(a) If the Company terminates this Agreement without Cause or if the Executive terminates this Agreement pursuant to Section 8 then: (1) the Company shall pay the Executive a lump sum cash payment (the "Severance Payment") equal to the Executive's annual salary then in effect multiplied by the number of years remaining in the Term (2) all stock options and stock awards (and similar equity rights) shall vest and become exercisable immediately prior to termination and remain exercisable through their original terms with all rights. In the event of termination of this Agreement by the Company by reason of the death or disability of the Executive the Company shall not be obligated to make the Severance Payment to the Executive if the Company provided the Executive with both life insurance and disability insurance pursuant to subsection 4(l) at the time of his death or disability. After termination of employment for any reason other than death of the Executive, the Company shall continue to provide all benefits subject to COBRA at its expense for the maximum required COBRA period. In addition, if on April 1, 2003, the Executive shall cease to be employed by the Company in the capacity of CEO by reason of the Company's decision not to continue to employ Executive as CEO at least on terms substantially similar to those set forth herein then the Executive shall be entitled to a Severance Payment equal to the annual salary the Executive was entitled to for the final year of the Term.

(b) If (i) the Company has not on or prior to sixty days before the expiration of the Term of the Agreement (except for any termination pursuant to Section 7(a)(3), 7(a)(4) or 7(b)), offered to enter into a new employment agreement with Executive on substantially the same terms as the Current Employment Agreement or on terms more favorable to the Executive, which offer shall not have been revoked at any time prior to such expiration or (ii) upon the expiration or termination of the agreement (except for any termination pursuant to Section 7(a)(3), 7(a)(4) or 7(b)), the parties have not entered into a new employment agreement on substantially the same terms as the Agreement or on terms more favorable to the Executive, or (iii) the Executive is unable to continue his employment/service due to his death or unable to continue his employment and perform his duties due to physical or mental incapacity or disability, with or without reasonable accommodation, in accordance with applicable law, for a period of six months or more, all stock options and stock awards (and similar equity rights), held by Executive prior to his death/disability, or the expiration of the Agreement, shall vest and become immediately exercisable and remain exercisable

through their original terms with all rights. This Section 9(b) shall survive the expiration or termination of the Agreement, except for any terminations pursuant to Section 7(a)(3), 7(a)(4) or 7(b).

10. INVENTIONS DISCOVERED BY THE EXECUTIVE WHILE PERFORMING SERVICES HEREUNDER.

During the Term, the Executive shall promptly disclose to the Company any invention, improvement, discovery, process, formula, or method or other intellectual property, whether or not patentable, whether or not copyrightable, in the Company's Field of Interest (collectively, "Inventions") made, conceived or first reduced to practice by the Executive, either alone or jointly with others, while performing service hereunder. The Executive hereby assigns to the Company all of his right, title and interest in and to any such Inventions. During and after the Term, the Executive shall execute any documents necessary to perfect the assignment of such Inventions to the Company and to enable the Company to apply for, obtain, and enforce patents and copyrights in any and all countries on such Inventions. The Executive hereby irrevocably designates the counsel to the Company as his agent and attorney-in-fact to execute and file any such document and to do all lawful acts necessary to apply for and obtain patents and copyrights and to enforce the Company's rights under this Section. This Section 10 shall survive the termination of this Agreement.

11. INDEMNIFICATION.

The Company shall indemnify the Executive, to the maximum extent permitted by applicable law, against all costs, charges and expenses incurred or sustained by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being an officer, director or employee of the Company or of any subsidiary or affiliate of the Company. The Company shall provide, at its expense, Directors and Officers insurance for the Executive in amounts reasonably satisfactory to the Executive, to the extent such insurance is available at reasonable rates, which determination shall be made by the Board.

12. EXCISE TAX.

If any payments made to or in respect of this Agreement, or otherwise in respect of his employment by the Company, become subject to the excise tax described in Code section 4999, the Company shall make a special payment to him sufficient, on an after-tax basis (taking into account federal, state and local taxes and related interest and penalties), to put him in the same position as would have been the case had no such excise taxes been applicable to any payments or benefits provided in this Agreement or otherwise in respect of the Employee's employment by the Company.

13. NO MITIGATION.

The Executive shall not be required to mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor shall the amount of any payment provided for hereunder be reduced by any compensation earned by the Executive as the result of employment by another employer after the date of termination of his employment by the Company.

14. PROHIBITED EVENTS:

The occurrence of any of the following events shall constitute a "Prohibited Event":

(1) The Executive is not continuously a member of the Board of Directors and CEO and President of the Company during the Term;

(2) The CEO is not the highest ranking officer of the Company with the power to appoint and remove all other employees of the Company; or

(3) The retention of any senior executive officer by the Company, or an offer to pay compensation to any senior executive of the Company that in either case is unacceptable to the Executive, in his reasonable judgment.

15. DEFINITIONS.

As used herein, the following terms have the following meaning:

(1) "Affiliate" means and includes any person, corporation or other entity controlling, controlled by or under common control with the corporation in question.

(2) "Change in Control" means the occurrence of any of the following events (without the consent of the Executive);,

(a) Any corporation, person or other entity makes a tender or exchange offer for shares of the Company's Common Stock pursuant to which such corporation, person or other entity acquires 25% or more of the issued and outstanding shares of the Company's Common Stock;

(b) The stockholders of the Company approve a definitive agreement to merge or consolidate the Company with or into another corporation where the Company is not the surviving corporation or to sell or otherwise dispose of all or substantially all of the Company's assets; or

(c) Any person within the meaning of Section 3(a)(9) or Section 13(d)(3) of the Securities Exchange Act of 1934 acquires more than 25% of the Company's issued and outstanding voting securities.

(3) "Company's Field of Interest" means the primary businesses of the Company as described in the Company's filings with the Securities and Exchange Commission during the Executive's employment hereunder and as determined from time to time by the Board of Directors.

(4) "Subsidiary" means any corporation or other business entity controlled, directly or indirectly, by the corporation in question.

16. REPRESENTATIONS AND ASSIGNMENT BY EXECUTIVE.

Executive represents and warrants that he has full right, power and authority to execute the terms of this Agreement; this Agreement has been duly executed by Executive and such execution and the performance of this Agreement by Executive does not result in any confiict, breach or violation of or default under any other agreement or any judgment, order or decree to which Executive is a party or by which he is bound. Executive acknowledges and agrees that any material breach of the representations set forth in this subparagraph will constitute Cause under Section 7(a)(3).

17. ARBITRATION.

Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration in the City of New York, in accordance with the rules then existing of the American Arbitration Association (three arbitrators), andjudgment upon the award rendered may be entered in any court having jurisdiction thereof The parties shall be free to pursue any remedy before the arbitration tribunal that they shall be otherwise permitted to pursue in a court of competent jurisdiction. The award of the arbitrators shall be final and binding. During the pendency of any arbitration or any dispute not yet submitted to arbitration, the Company shall not be entitled to any offset against payments, stock awards or other benefits due to the Executive under this Agreement or otherwise.

18. LEGAL COSTS.

If the Executive institutes any legal action to enforce his rights under, or to recover damages for breach of, this Agreement, and the Executive prevails, he shall be entitled to recover from the Company any actual expenses for attorney's fees and disbursements incurred by him. If any payment made to or in respect of the Executive pursuant to this Section 18 becomes subject to any tax, the Company shall make a special payment to him sufficient, on an after-tax basis (taking into account federal, state and local taxes and related interest and penalties), to put him

in the same position as would have been the case had such taxes been applicable to any payments or benefits provided in this Section.

19. NOTICES.

All notices, requests, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if sent by private overnight mail service (delivery confirmed by such service), registered or certified mail (return receipt requested and received), telecopy (confirmed receipt by return fax from the receiving party) or delivered personally, as follows (or to such other address as either party shall designate by notice in writing to the other in accordance herewith):

If to the Company:

Alexion Pharmaceuticals, Inc.
25 Science Park
New Haven, Connecticut 06510
Telephone: (203) 776-1790
Fax: (203) 776-2089

With a copy to:

Fulbright & Jaworski, L.L.P.
666 Fifth Avenue - 31st Floor
New York, New York 10103
Attention: Merrill M. Kraines, Esq.

If to the Executive:

Leonard Bell, M.D.
Alexion Pharmaceuticals, Inc.
25 Science Park
New Haven, Connecticut 06510
Telephone: (203) 776-1790
Fax: (203) 776-2089

20. GENERAL.

(a) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Connecticut applicable to agreements made and to be performed entirely in Connecticut.

(b) This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all

prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. Norepresentation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

(c) This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of a party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by a party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, or any one or more or continuing waivers of any such breach, shall constitute a waiver of the breach of any other term or covenant contained in this Agreement.

(d) This Agreement shall be binding upon the legal representatives, heir, distributees, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ALEXION PHARMACEUTICALS, INC.

By: /S/ JOHN H. FRIED

John H. Fried, Ph.D., Chairman of the Board

/S/ LEONARD BELL

Leonard Bell, M.D.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET, THE STATEMENT OF OPERATIONS, AND THE STATEMENT OF CASH FLOWS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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AUG-01-1999
APR-30-2000
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