ALEXION®

First Quarter 2018

Earnings Call

April 26, 2018

1Q 2018 Earnings Call Agenda

Introduction	Susan Altschuller, Ph.D., Vice President, Investor Relations
CEO Opening Remarks	Ludwig Hantson, Ph.D., Chief Executive Officer
Financial Update	Paul Clancy, Chief Financial Officer
R&D Highlights	John Orloff, M.D., Head of R&D
Commercial Highlights	Brian Goff, Chief Commercial Officer
CEO Closing Remarks	Ludwig Hantson, Ph.D., Chief Executive Officer
Q&A	All

Forward-Looking Statements

This presentation contains forward-looking statements, including statements related to guidance regarding anticipated financial results for 2018, Alexion's development plans for ALXN1210, the potential medical benefits of ALXN1210 for the treatment of PNH, Alexion's future clinical, regulatory, and commercial plans for ALXN1210, plans for regulatory filings and clinical programs for our other product candidates, and the timing and potential benefits of the acquisition of Wilson Therapeutics. Forward-looking statements are subject to factors that may cause Alexion's results and plans to differ from those expected, including for example, decisions of regulatory authorities regarding the adequacy of our research, marketing approval or material limitations on the marketing of our products, delays, interruptions or failures in the manufacture and supply of our products and our product candidates, failure to satisfactorily address matters raised by the FDA and other regulatory agencies, the possibility that results of clinical trials are not predictive of safety and efficacy results of our products in broader patient populations, the possibility that current rates of adoption of Soliris in PNH, aHUS or other diseases are not sustained, the possibility that clinical trials of our product candidates could be delayed, the adequacy of our pharmacovigilance and drug safety reporting processes, the risk that third party payors (including governmental agencies) will not reimburse or continue to reimburse for the use of our products at acceptable rates or at all, the possibility that expected tax benefits will not be realized, assessment of impact of recent accounting pronouncements, potential declines in sovereign credit ratings or sovereign defaults in countries where we sell our products, delay of collection or reduction in reimbursement due to adverse economic conditions or changes in government and private insurer regulations and approaches to reimbursement, uncertainties surrounding legal proceedings, company investigations and government investigations, including investigations of Alexion by the U.S. Securities and Exchange Commission (SEC) and U.S. Department of Justice, the risk that anticipated regulatory filings are delayed, the risk that estimates regarding the number of patients with PNH, aHUS, gMG, HPP and LAL-D are inaccurate, the risks of changing foreign exchange rates, risks relating to the potential effects of the Company's restructuring and relocation of its corporate headquarters, risks related to the expected acquisition of Wilson Therapeutics, and a variety of other risks set forth from time to time in Alexion's filings with the SEC, including but not limited to the risks discussed in Alexion's Annual Report on Form 10-K for the period ended December 31, 2017 and in our other filings with the SEC. Alexion does not intend to update any of these forward-looking statements to reflect events or circumstances after the date hereof, except when a duty arises under law.

In addition to financial information prepared in accordance with GAAP, this press release also contains non-GAAP financial measures that Alexion believes, when considered together with the GAAP information, provide investors and management with supplemental information relating to performance, trends and prospects that promote a more complete understanding of our operating results and financial position during different periods. The non-GAAP results exclude the impact of the following GAAP items: share-based compensation expense, fair value adjustment of inventory acquired, amortization of purchased intangible assets, changes in fair value of contingent consideration, acquisition-related costs, restructuring and related expenses, upfront payments related to licenses, collaborations and asset acquisitions, impairment of intangible assets, change in value of equity securities without readily determinable fair values and certain adjustments to income tax expense. These non-GAAP financial measures are not intended to be considered in isolation or as a substitute for, or superior to, the financial measures prepared and presented in accordance with GAAP, and should be reviewed in conjunction with the relevant GAAP financial measures. Please refer to the attached Reconciliations of GAAP to non-GAAP Financial Results and GAAP to non-GAAP 2018 Financial Guidance for explanations of the amounts adjusted to arrive at non-GAAP net income and non-GAAP earnings per share amounts for the three month periods ended March 31, 2018 and 2017 and projected twelve months ending December 31, 2018.

Prior year amounts may have been adjusted to conform to current year rounding presentation.

CEO Opening Remarks

Ludwig Hantson, Ph.D.
Chief Executive Officer

Executing on 2018 Key Objectives

1	**Grow In-Line Business**	▪ Strong start to the year for complement and metabolic franchises ▪ Q1 Total Revenue: $931M; Total Volume: 7% Growth
2	**Drive Soliris® Launch in gMG**	▪ On track to meet ambition of being the best Soliris launch
3	**Extend Complement Leadership with ALXN1210**	▪ Differentiated profile with ALXN1210 ▪ Moving to regulatory submissions beginning mid-year
4	**Advance and Rebuild the Pipeline**	▪ Announced tender offer to acquire Wilson Therapeutics, represents first step toward rebuilding pipeline through disciplined business development
5	**Deliver on Financial Ambitions**	▪ Guidance updated to reflect strength of underlying business and preliminary financial impact of announced tender offer of Wilson Therapeutics

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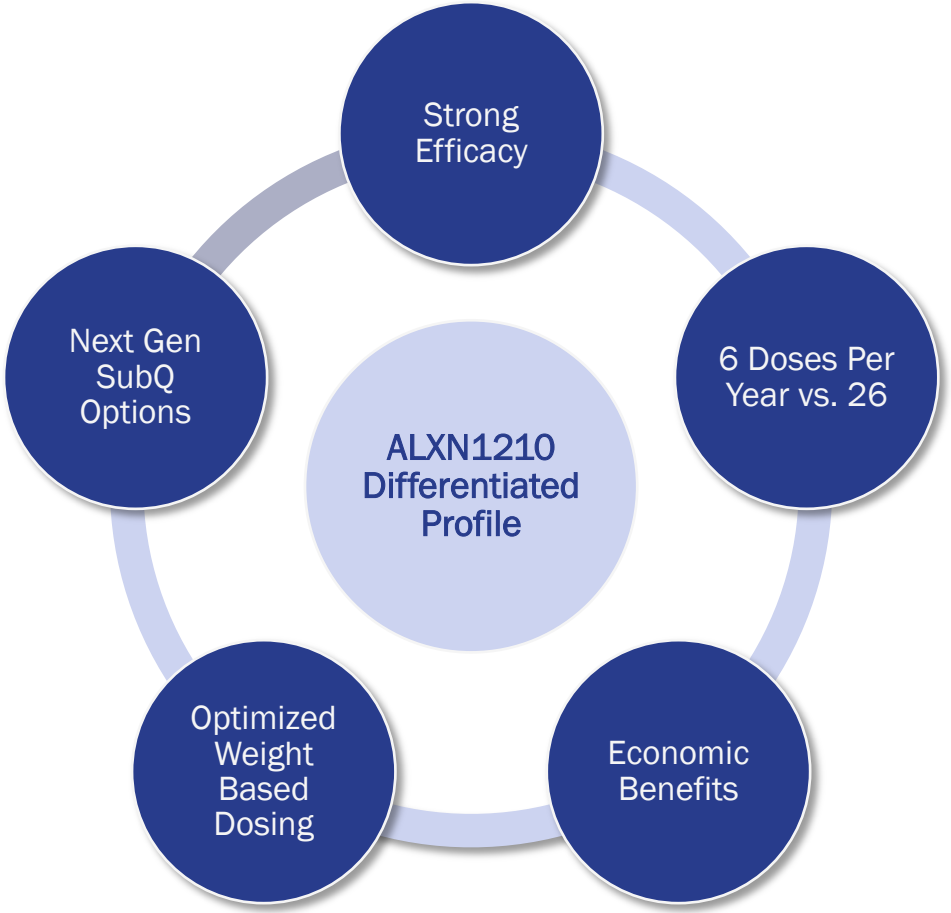
ALXN1210: Establishing a New Standard of Care for PNH

- Totality of Phase 3 PNH data indicates differentiated profile
  - Numeric results favor ALXN1210 across all primary and key secondary endpoints
- Opportunity to leverage over a decade of real world experience with patients, physicians, and payers globally
- Regulatory submissions in PNH in the U.S. and EU planned for mid-2018, followed by Japan in 2H18
- Ability to execute on rapid conversion to ALXN1210



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Financial Update

Paul Clancy
Chief Financial Officer

Financial Highlights

1Q18 Financial Performance

- Revenue growth of 7% driven by 7% volume growth
- Non-GAAP[(1)] operating margin improved by ~600 basis points YoY
- GAAP[(1)] EPS growth of 48%; Non-GAAP[(1)] EPS growth of 22%

Continued Momentum in Complement and Metabolic Franchises

- Strong growth across products
  - Complement: Revenue and volume growth of 2%
    - Underlying double-digit volume
  - Metabolic: Revenue growth of 52% driven by 58% volume growth

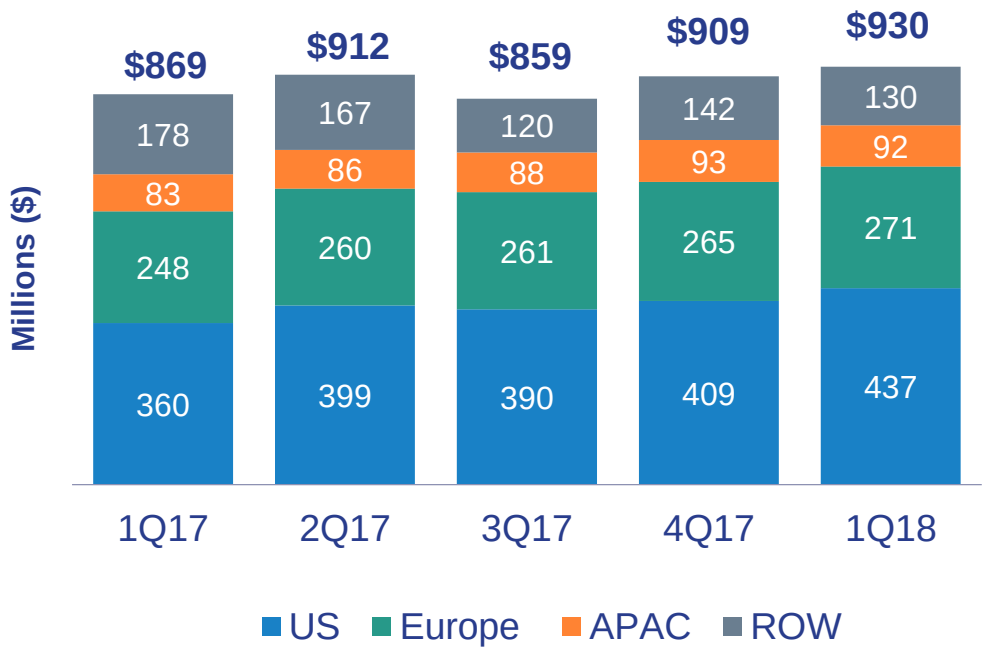
2018 Guidance

- Updated guidance reflects strength of the business and preliminary financial impact of announced tender offer of Wilson Therapeutics

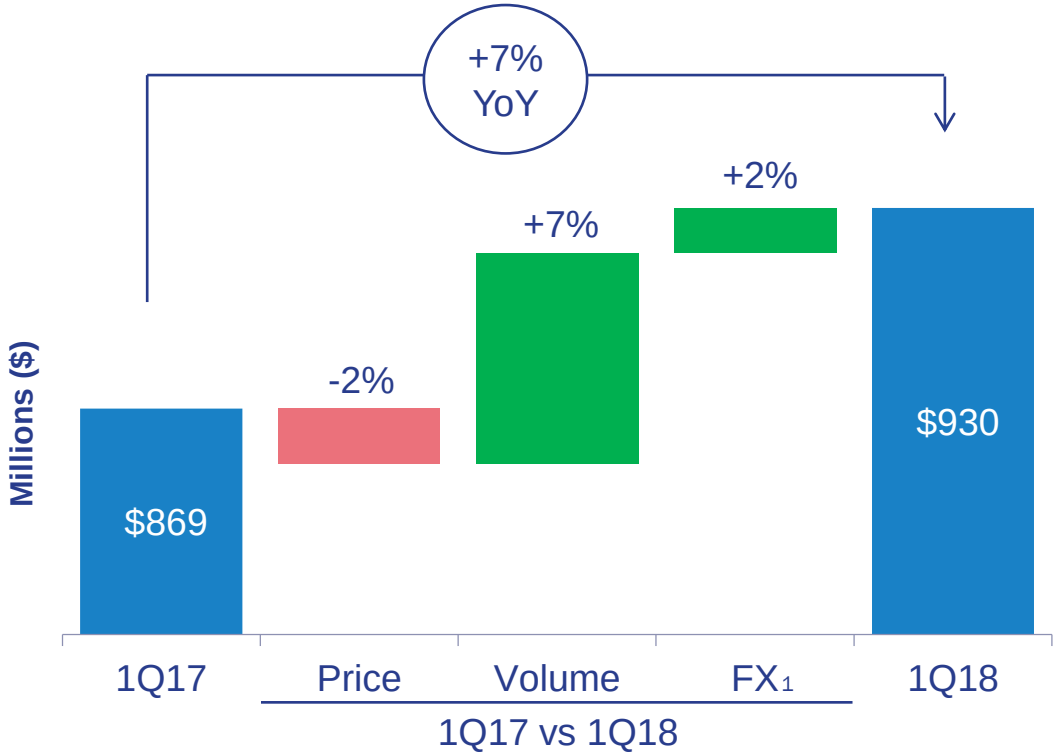
(1) A reconciliation of our GAAP to non-GAAP financial results is set forth in our first quarter 2018 financial results issued April 26, 2018.

1Q18 Net Product Sales

Net Product Sales by Geography



1Q18 Net Product Sales Analysis



[1] Net of hedging activities

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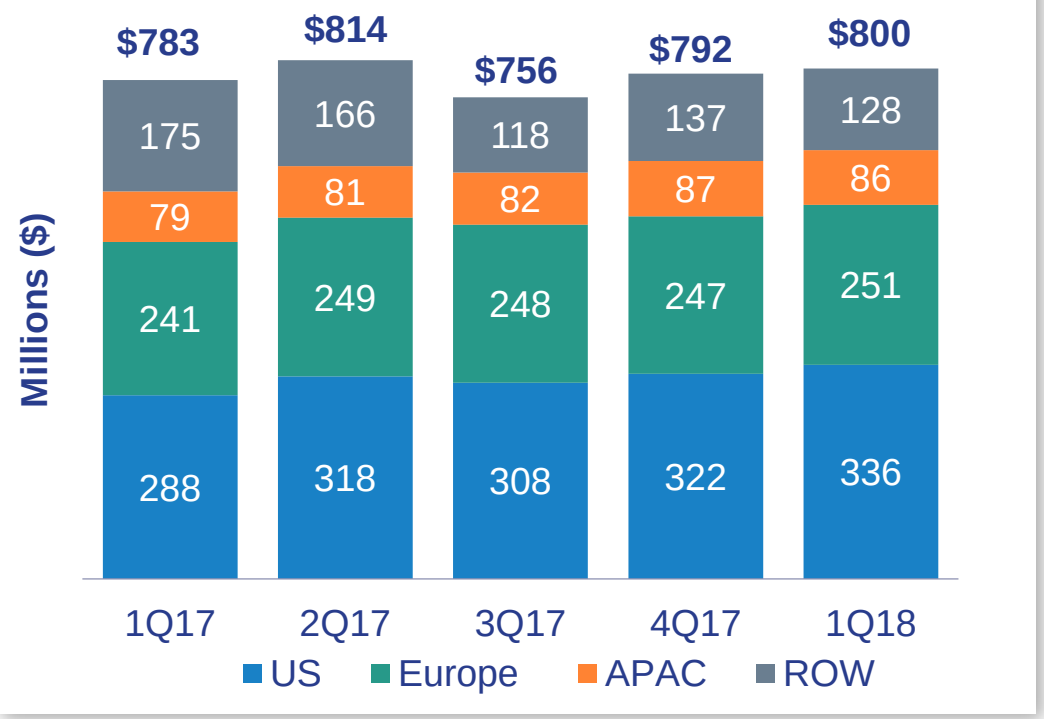
Soliris® Net Product Sales

Soliris® Net Product Sales

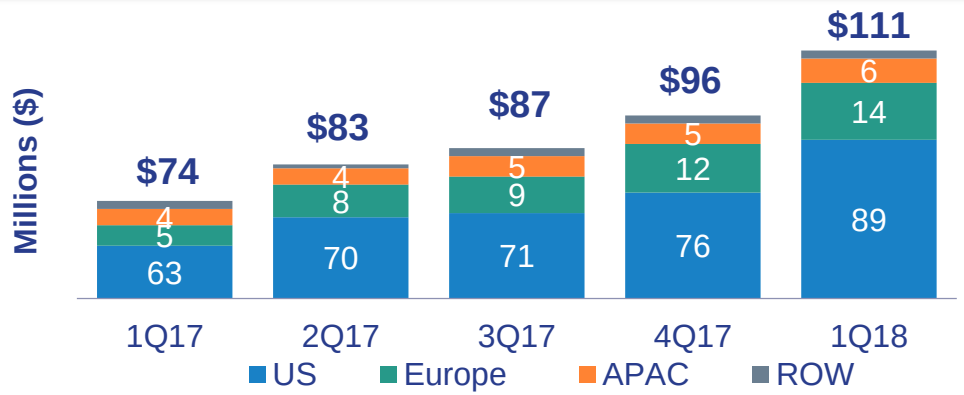


1Q18 Highlights

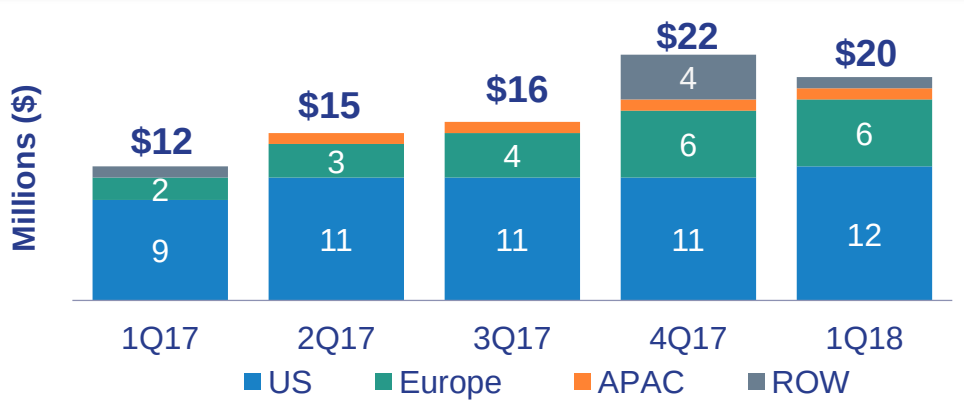
- +2% YoY revenue growth
  - +2% YoY volume growth
  - 1Q17 benefited by ~$49M from both the recognition of deferred revenue and timing of orders from certain non-U.S. tender markets
  - 1Q18 revenue unfavorably impacted by ~$42M from ALXN1210 and other clinical trial enrollment
  - Steady underlying double-digit growth in PNH and aHUS adjusting for the above
- Growing contribution from gMG following first full quarter of launch

Metabolic Franchise Net Product Sales

Strensiq® Net Product Sales



Kanuma® Net Product Sales



1Q18 Highlights

Strensiq®

- +50% YoY revenue growth
  - +58% YoY volume growth
- Continued growth in US, Germany and Japan
- ~$7M benefit from change in distributor arrangement

Kanuma®

- +63% YoY revenue growth
  - +58% YoY volume growth
- Sequential growth impacted by timing of orders in tender markets and previously deferred revenue that benefited Q4 by ~$5M

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1Q18 Financial Highlights

$ Millions, Except EPS	1Q18 GAAP (1)	1Q18 Non-GAAP (1)	1Q17 GAAP (1)	1Q17 Non-GAAP (1)	YoY Change Non-GAAP (1)
Total Revenue	$931	$931	$870	$870	+7%
Soliris® Revenue	$800	$800	$783	$783	+2%
Strensiq® Revenue	$111	$111	$74	$74	+50%
Kanuma® Revenue	$20	$20	$12	$12	+63%
COGS *% of Total Revenue*	$92 10%	$83 9%	$69 8%	$65 7%	+150 bps
R&D *% of Total Revenue*	$177 19%	$162 17%	$220 25%	$194 22%	-500 bps
SG&A *% of Total Revenue*	$257 28%	$220 24%	$262 30%	$226 26%	-232 bps
Restructuring and Related Expenses	$14	-	$24	-	-
Operating Income	$267	$466	$212	$385	+21%
Operating Margin	29%	50%	24%	44%	+582 bps
Effective Tax Rate	29%	15%	12%	14%	+141 bps
Earnings Per Share	$1.11	$1.68	$0.75	$1.38	+22%

(1) A reconciliation of GAAP to non-GAAP financial results is set forth in our first quarter 2018 financial results issued April 26, 2018

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Updated FY2018 Outlook

$ Millions, Except EPS	Previous Guidance	Updated Guidance[1][2]	YoY Growth[1][2]
Total Revenue	$3,850 to $3,950	$3,925 to $3,985	+11%
Soliris® Revenue	$3,325 to $3,400	$3,380 to $3,420	+8%
Metabolic Revenue	$525 to $550	$545 to $565	+37%
R&D (*% of Total Revenue*)			
GAAP	20% to 22%	41% to 44%	+1,776 bps
Non-GAAP	18% to 20%	18% to 20%	-173 bps
SG&A (*% of Total Revenue*)			
GAAP	26% to 28%	26% to 28%	-382 bps
Non-GAAP	23% to 24%	23% to 24%	-263 bps
Operating Margin			
GAAP	31% to 34%	8% to 11%	-817 bps
Non-GAAP	48% to 49%	48% to 49%	+341 bps
Earnings Per Share			
GAAP	$4.35 to $4.75	$1.35 to $1.75	-21%
Non-GAAP	$6.60 to $6.80	$6.75 to $6.90	+16%

Key Assumptions

- **FX:** Tailwind of $45M to $55M
- **Pricing:** Headwind of ~3%
- **Soliris:** $90M to $110M YoY headwind due to ALXN1210 and other trial enrollment
- **R&D/SG&A:**
  - Investment in business development and additional ALXN1210 studies
  - Restructuring savings partially offset by HQ relocation expense
  - Spend ramps in H2 related to Wilson Therapeutics and pipeline advancement consistent with plan
  - GAAP R&D includes preliminary financial impact of Wilson Therapeutics, accounted for as asset acquisition

Mid-point of Guidance: Revenue +11%, Non-GAAP Operating Profit +20%, Non-GAAP EPS +16%

[1] Alexion's financial guidance is based on current foreign exchange rates net of hedging activities and does not include the effect of business combinations, license and collaboration agreements, asset acquisitions, intangible asset impairments, changes in fair value of contingent consideration or restructuring and related activity outside the previously announced activities that may occur after the day prior to the date of this presentation. Includes the preliminary financial impact of the announced tender offer for Wilson Therapeutics, which the company expects to close during the second quarter of 2018.
[2] A reconciliation of GAAP to non-GAAP financial guidance is set forth in our first quarter 2018 financial results issued April 26, 2018. YoY growth uses the mid point of the guidance range.
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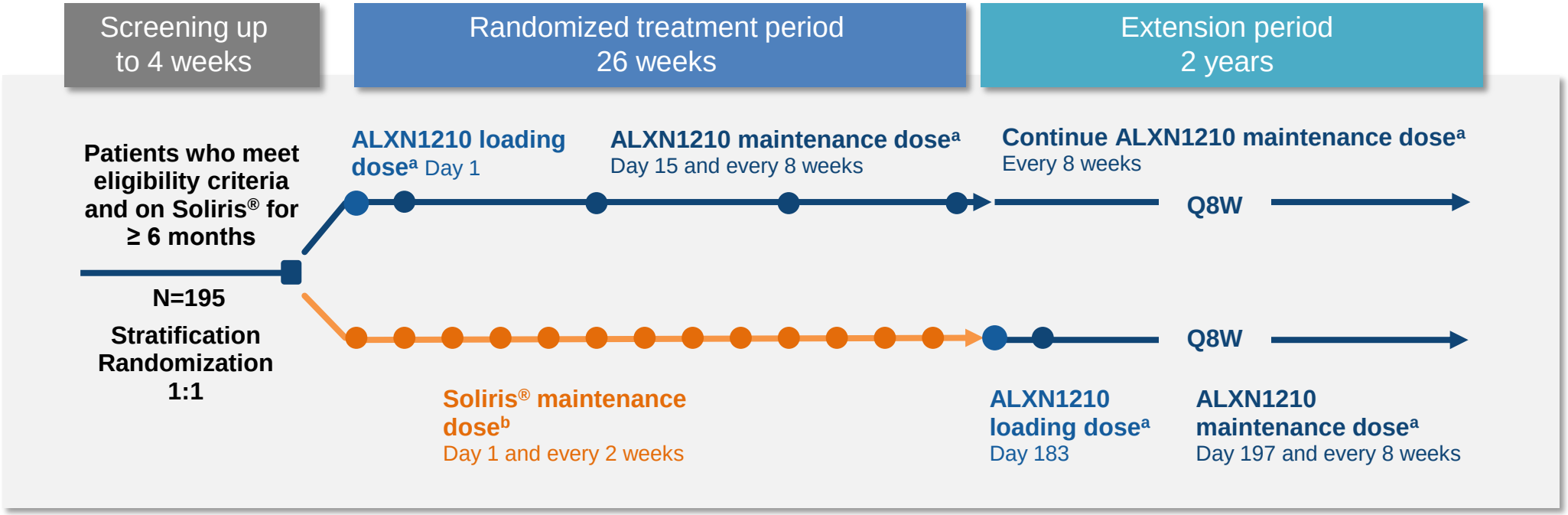
R&D Highlights

John Orloff, M.D.
Head of R&D

ALXN1210 Phase 3 PNH Switch Study: Trial Design

- **Primary Objective**: Assess non-inferiority of ALXN1210 compared to Soliris® in patients with PNH who are clinically stable after having been treated with Soliris® for at least the past 6 months
  - **Primary Endpoint**: Hemolysis as directly measured by percentage change in LDH levels from Baseline to Day 183.



[a]ALXN1210 dosage: loading dose = 2400 mg for patients weighing ≥ 40 to < 60 kg, 2700 mg for patients weighing ≥ 60 to < 100 kg, 3000 mg for patients weighing ≥ 100 kg; maintenance dose=3000 mg for patients weighing ≥ 40 to < 60 kg, 3300 mg for patients weighing ≥ 60 to < 100 kg, 3600 mg for patients weighing ≥ 100 kg. [b]Soliris maintenance dose=900 mg.

NCT03056040. Clinical Trial.gov website. https://clinicaltrials.gov/ct2/show/NCT03056040

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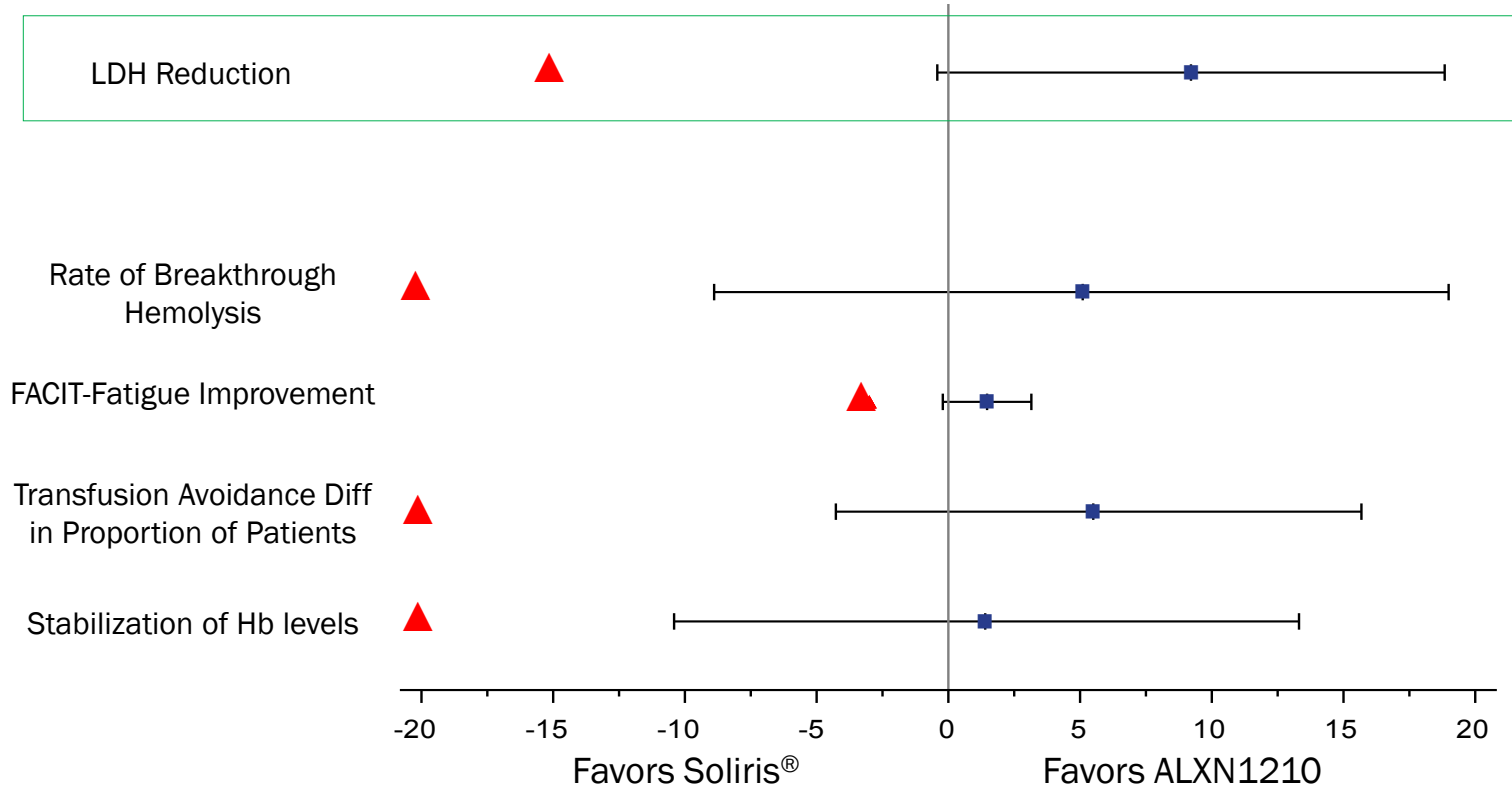
ALXN1210 Phase 3 Switch Study: Non-Inferiority Achieved on All Endpoints



	ALXN1210 (N=97)	Soliris® (N=98)	Diff (95% CI)[1]
LDH Reduction	-0.82	8.39	9.21 (-0.42, 18.84)[2,a]
Rate of Breakthrough Hemolysis	0	5.1	5.1 (-8.89, 18.99)[2,b]
FACIT-Fatigue Improvement	2.01	0.54	1.47 (-0.21, 3.15)[a]
Transfusion Avoidance Diff in Proportion of Patients	87.6	82.7	5.5 (-4.27, 15.68)[b]
Stabilization of Hb levels	76.3	75.5	1.4 (-10.41, 13.31)[b]

▲ = Non-inferiority Margin for the Given Endpoint
■ = Observed Value
⊢⊣ = 95% Confidence Interval
□ = Primary Endpoint

Statistically Significant Non-inferiority Achieved on All Primary & Key Secondary Endpoints. All Endpoints Numerically Favor ALXN1210

Note: CI=Confidence interval; Diff=difference; TA=Transfusion Avoidance; LDH Reduction = LDH % change from baseline; BTH=Breakthrough Hemolysis; HGB-S=Stabilized Hemoglobin. The red triangle indicates the non-inferiority margin.
[1] For endpoints TA, LDH Reduction, BTH, and HGB-S, Diff (95% CI) are based on estimated differences in percent with 95% CI. For FACIT-Fatigue, Diff (95% CI) are based on estimated differences in change from baseline with 95% CI.
[2] Treatment difference is estimated for ALXN1210-Soliris® except for LDH Reduction and Rate of Breakthrough Hemolysis where treatment difference is based on Soliris-ALXN1210.
[a]Difference in change from Baseline; [b]Difference in proportion of patients;
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ALXN1210 Phase 3 Switch Study: Safety Profile Similar to Soliris®

Safety	ALXN1210 (N=97)	Soliris® (N=98)	Total (N=195)
	N (%)	N (%)	N (%)
Any Adverse Event (AE)	85 (87.6)	86 (87.8)	171 (87.7)
Most Common AEs (>10% in either treatment group)			
Upper Respiratory Infection (SMQ[1])	43 (44.3)	43 (43.9)	86 (44.1)
Headache	26 (26.8)	17 (17.3)	43 (22.1)
Cough	5 (5.2)	10 (10.2)	15 (7.7)
Any Serious Adverse Event (SAE)	4 (4.1)	8 (8.2)	12 (6.2)
Meningococcal Infections	0 (0.0)	0 (0.0)	0 (0.0)
Death	0 (0.0)	0 (0.0)	0 (0.0)
AE Leading to Withdrawal of Study Drug	0 (0.0)	0 (0.0)	0 (0.0)
SAE Leading to Withdrawal of Study Drug	0 (0.0)	0 (0.0)	0 (0.0)

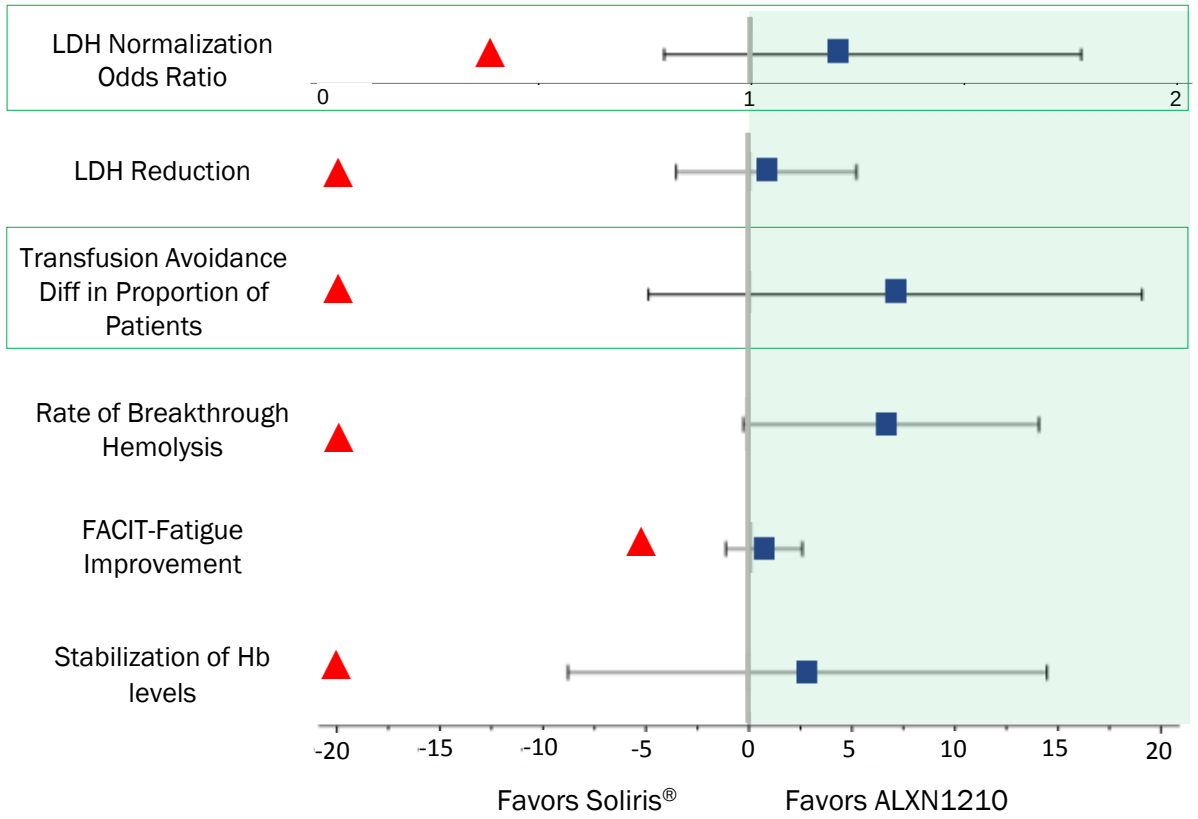
100% treatment compliance for ALXN1210 and Soliris®

ALXN1210 was Well-Tolerated and Safety Profile Similar to Soliris®

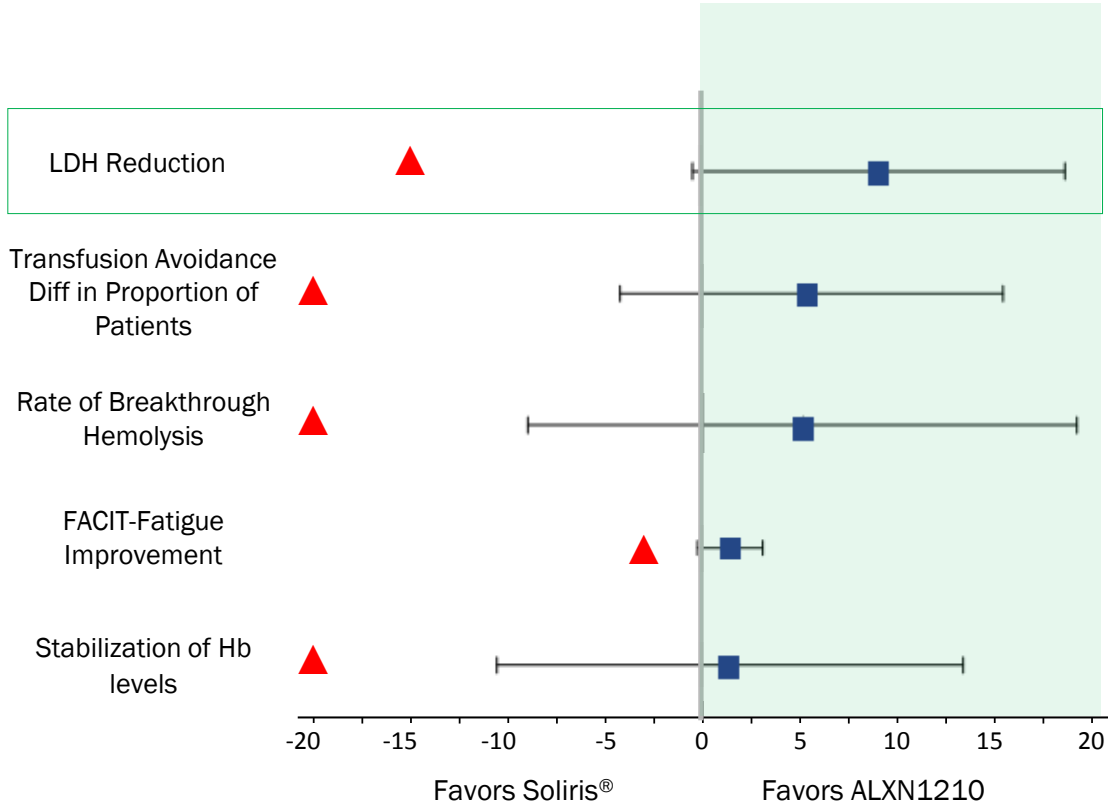
[1] Standardised MedDRA Queries; Upper Respiratory Infection was defined as any report of nasopharyngitis, URTI, Viral URTI, oropharyngeal pain, rhinorrhea, pharyngitis, rhinitis, respiratory tract infection or upper respiratory tract inflammation

ALXN1210 Phase 3 PNH Studies: Results Favor ALXN1210 on All Endpoints

ALXN1210 PNH Naïve Study



ALXN1210 PNH Switch Study



▲ = Non-inferiority Margin for the Given Endpoint ■ = Observed Value ⊢⊣ = 95% Confidence Interval □ = Primary Endpoint

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Consistent Efficacy & Safety Results Across Phase 3 Studies

- Broad patient population included in a global Phase 3 program
  - 441 patients with PNH in 2 global studies conducted in 25 countries
    - Inclusive of transfusion dependent and independent patients
    - Inclusive of treatment-naïve and experienced, stable patients on Soliris at labeled dose
  - >200 years of patient experience to support favorable benefit/risk of ALXN1210
- Strong data supporting the differentiated profile of ALXN1210 from two distinct and complementary Phase 3 studies
  - All primary and secondary endpoints achieved statistical significance for non-inferiority compared to Soliris®
  - All endpoints in both studies were consistently in favor ALXN1210 in different patient populations
  - Number of patients experiencing breakthrough hemolysis and the number of breakthrough hemolysis events was greater in the Soliris® arm in both studies; repeat breakthrough hemolysis events occurred in only the Soliris® arms in both studies
  - ALXN1210 safety profile consistent with that of Soliris®
- Switching patients from Soliris® to ALXN1210 can be accomplished safely and effectively

Moving to Regulatory Submissions Beginning Mid-2018

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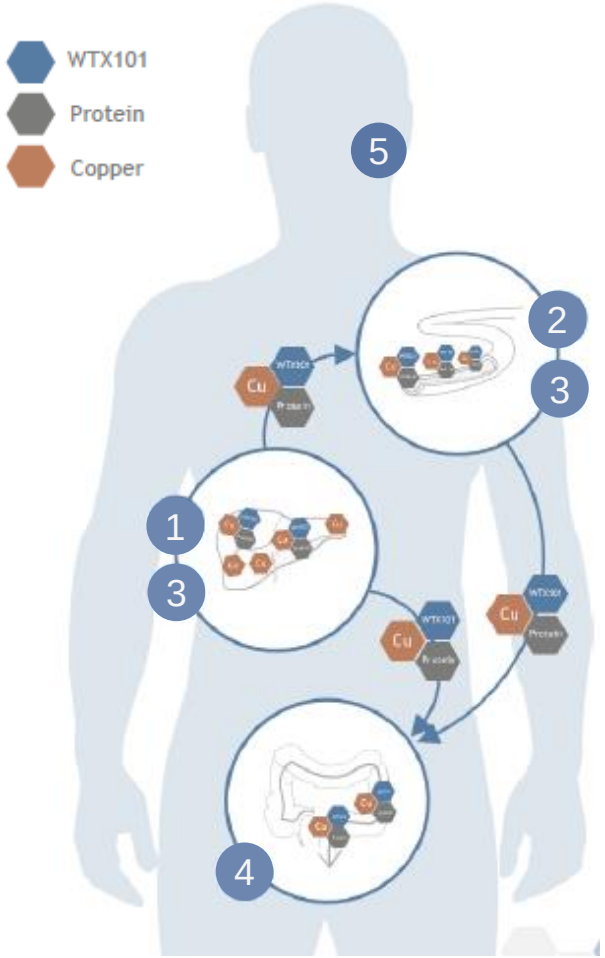
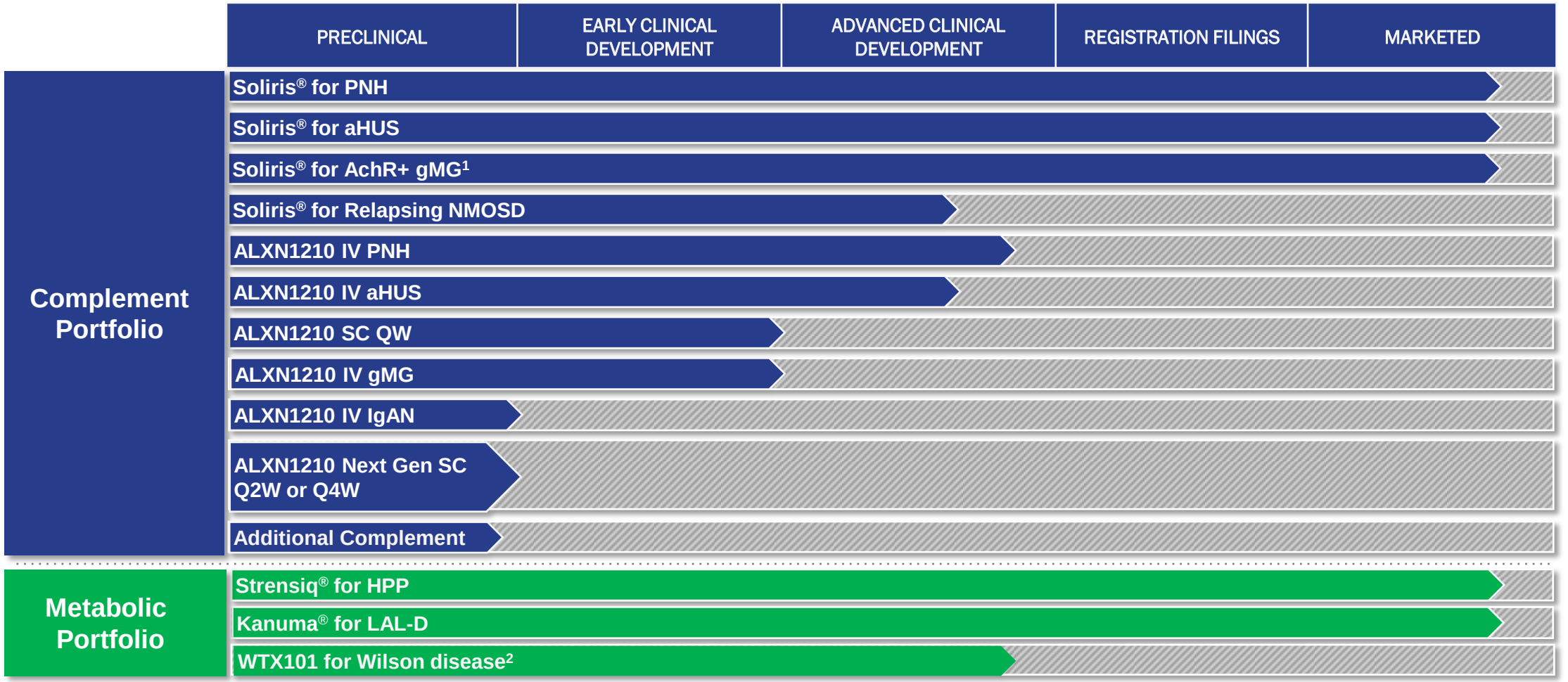
Wilson Therapeutics: Strong Strategic Fit, Builds Clinical Stage Pipeline in Rare Metabolic Disease



WTX101: Enrolling in a Phase 3 Trial for Patients with Wilson Disease
(bis-choline tetrathiomolybdate)

1	High affinity to Cu	10,000-fold higher affinity for Cu than chelators, allowing for ***removal from intracellular stores in the liver***
2	Specific to Cu	Specifically binds Cu, not other metals (Zn, Fe, Ca, Mn, Mg) typically associated with treatment side effects
3	Forms stable tripartite complexes with proteins	Safe Cu transport in the blood, ***reducing the risk of drug induced neurological deficits***
4	Excretion of Cu through bile into feces	Excretes excess Cu via natural route ***limiting potential nephrotoxicity***
5	Simplified dosing regimen	***Oral, once daily dosing*** and rapid onset of action

Rare Disease Product Portfolio and Pipeline



[1] Approved in the US for the treatment of gMG in adults who are AchR+, in the EU for the treatment of refractory gMG in adults who are AchR+, and in Japan for the treatment of patients with gMG who are AchR+ and whose symptoms are difficult to control with high-dose intravenous immunoglobulin therapy or plasmapheresis.
[2] Contingent on regulatory approvals and deal closure
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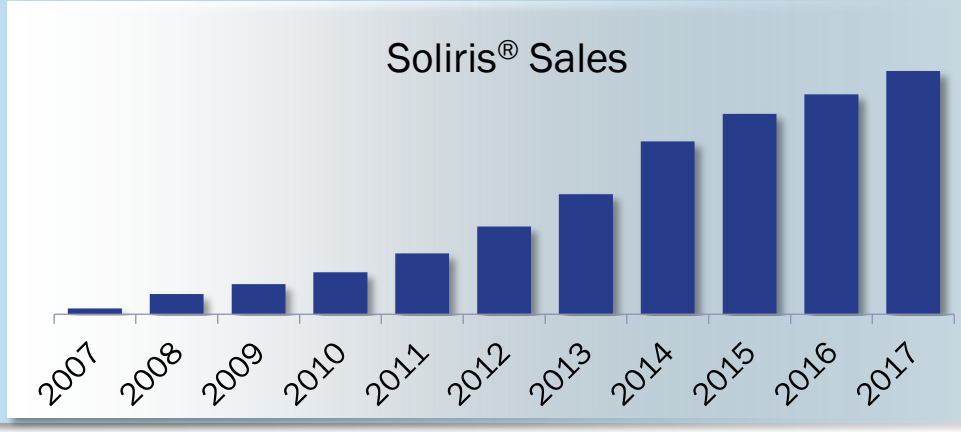
Commercial Highlights

Brian Goff
Chief Commercial Officer

Soliris® - Serving Patients with PNH and aHUS



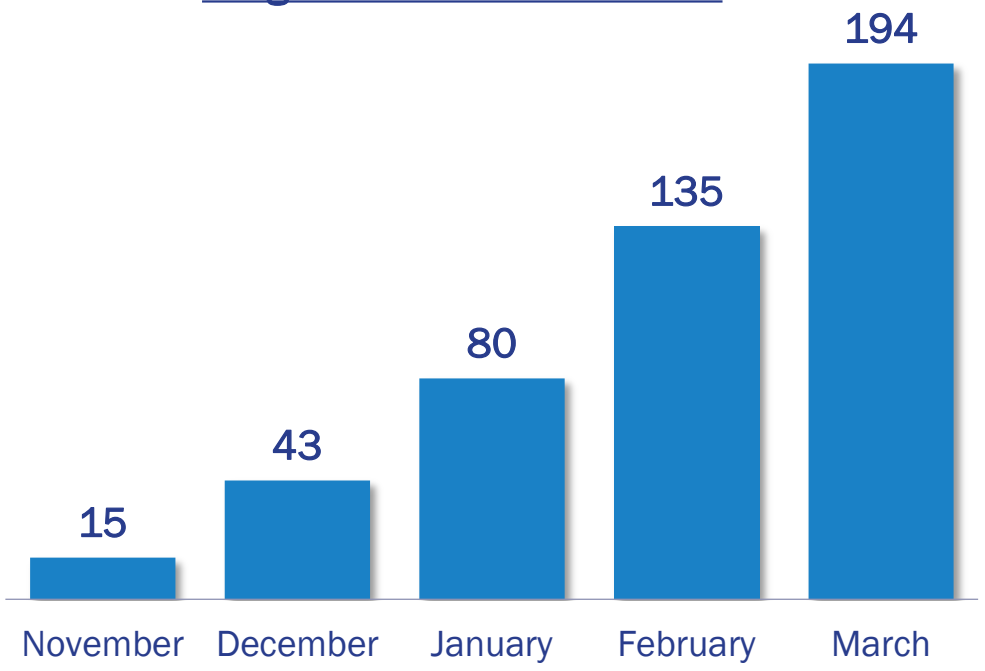
Growth Drivers and 2018 Objectives

- Continue to serve more patients in 11th year of Soliris® launch
- Majority of patients with PNH have yet to initiate treatment
- Continue to believe that the opportunity with aHUS is even greater than that of PNH
- Underlying momentum builds strong platform for ALXN1210 conversion*

*Upon regulatory approval

gMG On Track to Become the Best Soliris® Launch

US gMG Patients on Soliris®



Cumulative Patients Enrolled in OneSource™	81	158	238	301	400

Growth Drivers and 2018 Objectives

- Excellent growth in first full quarter of US launch
- Patients are generally aligned with the REGAIN study population
- Growing number of patients enrolled in OneSource™
- Field teams educating neurologists on the role of complement in gMG and benefits of Soliris®

Note:Patient data is as of month end.
OneSource™ is a program offered by Alexion Pharmaceuticals that provides education, assistance with access to Soliris, and treatment support for people living with PNH, aHUS, gMG and their caregivers.
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Metabolic Franchise - Continued Drivers of Growth

Strensiq® (asfotase alfa) for injection

Strensiq® Growth Drivers and 2018 Objectives

- Strensiq® 1Q18 revenue surpasses $100M
- Extending HPP disease education and diagnostic initiatives
- Serving patients in additional countries following funding agreements; expect geographic expansion to additional countries

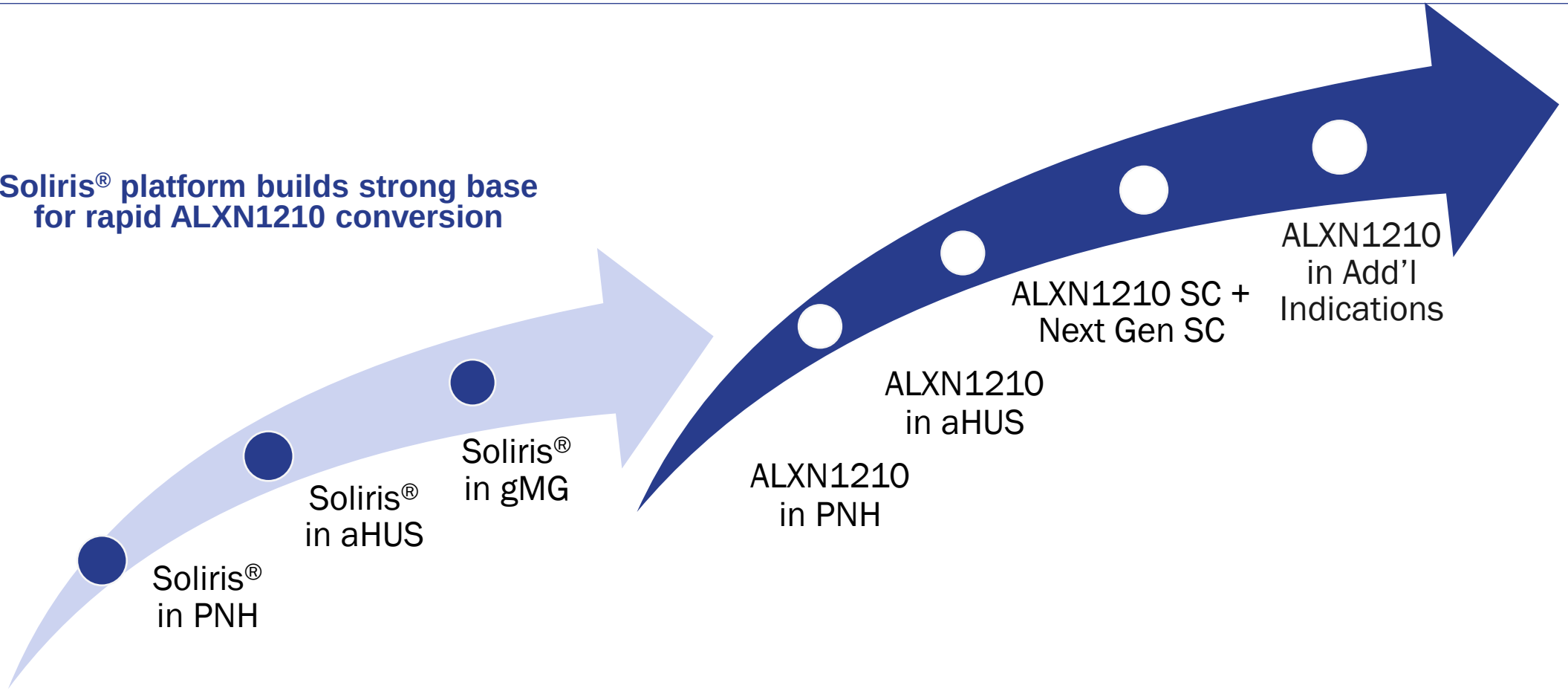
Kanuma™ sebelipase alfa

Kanuma® Growth Drivers and 2018 Objectives

- Continuing to identify new patients with LAL-D
- Expanding lab testing to target enriched populations
- Serving patients in additional countries following funding agreements; expect geographic expansion to additional countries

Continuously Raising the Bar in Complement

Soliris® platform builds strong base for rapid ALXN1210 conversion



Meaningful Growth Ahead for our Complement Franchise

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ALXN1210: Establishing a New Standard of Care For Patients with PNH

Key Factors in Place for Rapid Conversion

Ambition for 1210 to rapidly become the leading treatment in PNH

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CEO Closing Remarks

Ludwig Hantson, Ph.D.
Chief Executive Officer

Strong Foundation and Building Momentum

Re-Established Foundation…

- Strengthened leadership team
- Refocused corporate strategy
- Restructured to optimize organization and resource allocation
- Culture of compliance
- Refreshed Board of Directors

…Great Start Toward 2018 Key Initiatives

- Continued to serve more patients in complement and metabolic franchises
- gMG on track to become best Soliris® launch
- Strong momentum with Strensiq®
- Achieved successful PNH Phase 3 trials and differentiated profile for ALXN1210
- ALXN1210 regulatory submissions planned for mid-year
- Announced tender offer for Wilson Therapeutics

Q&A

1Q18 Earnings
April 26, 2018

Appendix

1Q18 Earnings
April 26, 2018

ALEXION PHARMACEUTICALS, INC.

TABLE 1: CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share amounts)

(unaudited)

	Three months ended March 31	
	2018	**2017[1]**
Net product sales	$ 930.4	$ 869.1
Other revenue	0.5	0.5
Total revenues	930.9	869.6
Cost of sales	91.6	69.0
Operating expenses:		
Research and development	176.6	219.5
Selling, general and administrative	257.1	261.8
Amortization of purchased intangible assets	80.0	80.0
Change in fair value of contingent consideration	52.7	3.5
Restructuring expenses	5.5	23.8
Total operating expenses	571.9	588.6
Operating income	267.4	212.0
Other income and expense:		
Investment income	105.8	3.9
Interest expense	(24.1)	(23.5)
Other income	2.5	1.6
Income before income taxes	351.6	194.0
Income tax expense	102.5	23.9
Net income	$ 249.1	$ 170.1
Earnings per common share		
Basic	$ 1.12	$ 0.76
Diluted	$ 1.11	$ 0.75
Shares used in computing earnings per common share		
Basic	222.1	224.6
Diluted	223.7	226.2

[1] Prior year amounts may have been adjusted to conform to current year rounding presentation.

ALEXION PHARMACEUTICALS, INC.
TABLE 2: RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL RESULTS
(in millions, except per share amounts)
(unaudited)

	Three months ended March 31	
	2018	**2017[5]**
GAAP net income	$ 249.1	$ 170.1
Before tax adjustments:		
Cost of sales:		
Share-based compensation	3.3	1.8
Fair value adjustment in inventory acquired	—	2.7
Restructuring related expenses (1)	5.3	—
Research and development expense:		
Share-based compensation	14.9	16.2
Upfront payments related to licenses, collaborations and asset acquisitions	—	8.9
Restructuring related expenses (1)	0.1	—
Selling, general and administrative expense:		
Share-based compensation	33.1	35.7
Restructuring related expenses (1)	3.6	—
Amortization of purchased intangible assets	80.0	80.0
Change in fair value of contingent consideration (2)	52.7	3.5
Restructuring expenses (1)	5.5	23.8
Investment income:		
Change in value of equity securities without readily determinable fair values (3)	(100.8)	—
Other income:		
Restructuring related expenses (1)	(0.1)	—
Adjustments to income tax expense (4)	33.9	(26.9)
Non-GAAP net income	$ 380.6	$ 315.8
GAAP earnings per common share - diluted	$ 1.11	$ 0.75
Non-GAAP earnings per common share - diluted	$ 1.68	$ 1.38
Shares used in computing diluted earnings per common share (GAAP)	223.7	226.2
Shares used in computing diluted earnings per common share (non-GAAP)	226.4	228.5

(1) The following table summarizes the total restructuring and related expenses recorded by type of activity and the classification within the Reconciliation of GAAP to non-GAAP Financial Results:

	Three months ended March 31, 2018				Three months ended March 31, 2017			
	Employee Separation Costs	Asset-Related Charges	Other	Total	Employee Separation Costs	Asset-Related Charges	Other	Total
Cost of Sales	$ -	$ 5.3	$ -	$ 5.3	$ -	$ -	$ -	$ -
Research and Development	—	0.1	—	0.1	—	—	—	—
Selling, General and Administrative	—	3.6	—	3.6	—	—	—	—
Restructuring Expense	1.0	—	4.5	5.5	20.8	—	3.0	23.8
Other Expense	—	—	(0.1)	(0.1)	—	—	—	—
	$ 1.0	$ 9.0	$ 4.4	$ 14.4	$ 20.8	$ -	$ 3.0	$ 23.8

(2) The increase in the expense associated with the Change in the fair value of contingent consideration for the three months ended March 31, 2018 compared to the same period in 2017 was primarily due to increases in the likelihood of payments and changes in the expected timing of payments for contingent consideration.

(3) On January 1, 2018, we adopted a new standard that changes the accounting for equity investments and, as a result, we recognized an unrealized gain of $100.8 million in investment income during the first quarter 2018 to adjust our investment in Moderna Therapeutics, Inc. to fair value.

(4) Alexion's non-GAAP income tax expense excludes the tax effect of pre-tax adjustments to GAAP profit and adjustments to provisional estimates of the impact of Tax Cuts and Jobs Act we recorded in Q4 2017.

(5) Prior year amounts may have been adjusted to conform to current year rounding presentation.

ALEXION PHARMACEUTICALS, INC.
TABLE 3: RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL GUIDANCE
(in millions, except per share amounts and percentages)
(unaudited)

	Twelve months ended December 31, 2018[2]	
	Low	High
GAAP net income	$ 305	$ 395
Before tax adjustments:		
Share-based compensation	230	210
Upfront payments related to licenses, collaborations and asset acquisitions [1]	855	855
Amortization of purchased intangible assets	320	320
Change in fair value of contingent consideration	67	67
Restructuring and related expenses	94	29
Change in value of equity securities without readily determinable fair values	(101)	(101)
Adjustments to income tax expense	(231)	(202)
Non-GAAP net income	$ 1,539	$ 1,573
Diluted GAAP earnings per common share	$ 1.35	$ 1.75
Diluted non-GAAP earnings per common share	$ 6.75	$ 6.90
Operating expense and margin (% total revenues)		
GAAP research and development expense	44%	41%
Share-based compensation	(2)%	(1)%
Upfront payments related to licenses, collaborations and asset acquisitions [1]	(22)%	(22)%
Restructuring related expenses	0%	0%
Non-GAAP research and development expense	20%	18%
GAAP selling, general and administrative expense	28%	26%
Share-based compensation	(4)%	(3)%
Restructuring related expenses	0%	0%
Non-GAAP selling, general and administrative expense	24%	23%
GAAP operating margin	8%	11%
Share-based compensation	6%	5%
Upfront payments related to licenses, collaborations and asset acquisitions [1]	22%	22%
Amortization of purchased intangible assets	8%	8%
Change in fair value of contingent consideration	2%	2%
Restructuring and related expenses	2%	1%
Non-GAAP operating margin	48%	49%
Income tax expense (% of income before income taxes)		
GAAP income tax expense	17%	16%
Tax effect of pre-tax adjustments to GAAP net income and adjustments to Q4 2017 tax reform provisional accounting	(1)%	(1)%
Non-GAAP income tax expense	16%	15%

(1) Represents the previously announced recommended public cash offer for Wilson Therapeutics.

(2) GAAP guidance reflects the preliminary financial impact of the announced tender offer for Wilson Therapeutics, which Alexion expects to account for as an asset acquisition and recognize in research and development expenses during the second quarter of 2018. In addition, non-GAAP financial guidance includes the preliminary impact of operating expenses for Wilson Therapeutics.

ALEXION PHARMACEUTICALS, INC.

TABLE 4: NET PRODUCT SALES BY GEOGRAPHY

(in millions)

(unaudited)

	Three months ended March 31	
	2018	**2017[1]**
Soliris		
United States	$ 336.0	$ 288.1
Europe	250.8	241.4
Asia Pacific	85.5	78.8
Rest of World	127.8	175.2
Total Soliris	$ 800.1	$ 783.5
Strensiq		
United States	$ 89.2	$ 63.3
Europe	14.0	5.1
Asia Pacific	5.7	3.7
Rest of World	1.8	1.5
Total Strensiq	$ 110.7	$ 73.6
Kanuma		
United States	$ 11.9	$ 8.7
Europe	5.9	1.8
Asia Pacific	1.0	0.5
Rest of World	0.8	1.0
Total Kanuma	$ 19.6	$ 12.0
Net Product Sales		
United States	$ 437.1	$ 360.1
Europe	270.7	248.3
Asia Pacific	92.2	83.0
Rest of World	130.4	177.7
Total Net Product Sales	$ 930.4	$ 869.1

(1) Prior year amounts may have been adjusted to conform to current year rounding presentation.

ALEXION PHARMACEUTICALS, INC.

TABLE 5: CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions)

(unaudited)

	March 31 2018	December 31 2017[2]
Cash and cash equivalents	$ 511.8	$ 584.4
Marketable securities	1,079.1	889.7
Trade accounts receivable, net	776.7	726.5
Inventories	456.5	460.4
Prepaid expenses and other current assets	327.9	292.9
Property, plant and equipment, net	1,379.3	1,325.4
Intangible assets, net	3,874.1	3,954.4
Goodwill	5,037.4	5,037.4
Other assets	387.4	312.2
Total assets	$ 13,830.2	$ 13,583.3
Accounts payable and accrued expenses	$ 639.9	$ 710.2
Current portion of long-term debt	167.5	167.4
Current portion of contingent consideration	68.8	—
Other current liabilities [1]	65.8	74.9
Long-term debt, less current portion	2,678.8	2,720.7
Contingent consideration	152.8	168.9
Facility lease obligation	350.2	342.9
Deferred tax liabilities	442.7	365.0
Other liabilities	151.0	140.2
Total liabilities	4,717.5	4,690.2
Total stockholders' equity [1]	9,112.7	8,893.1
Total liabilities and stockholders' equity	$ 13,830.2	$ 13,583.3

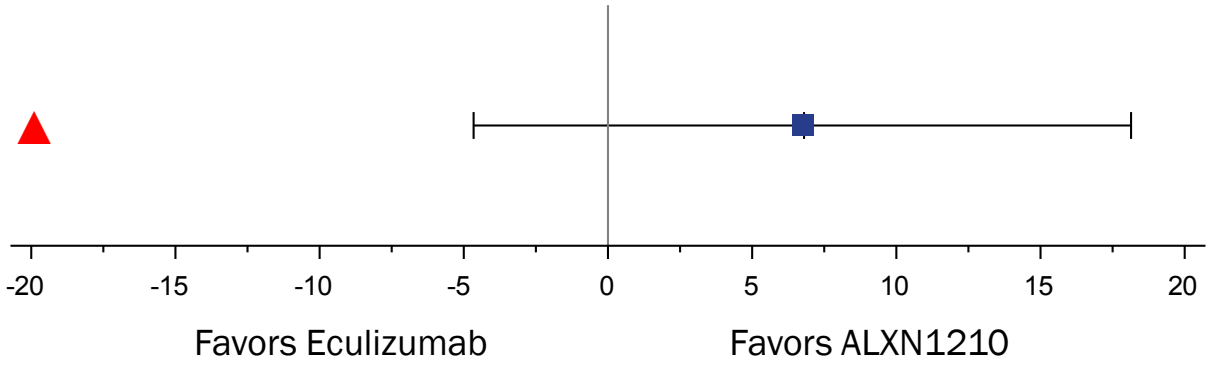
(1) In May 2014, the Financial Accounting Standards Board issued a comprehensive new standard which amends revenue recognition principles. We adopted this standard in the first quarter 2018. Upon adoption of the new standard, we reduced our deferred revenue balance reported in Other current liabilities by $10.4 million, with an offsetting increase of $6.0 million in retained earnings due to the cumulative impact of adopting this new standard. The adjusted deferred revenue balance, as of January 1, 2018, was $5.5 million. We recognized this amount in revenue during the three-months ended March 31, 2018.

(2) Prior year amounts may have been adjusted to conform to current year rounding presentation.

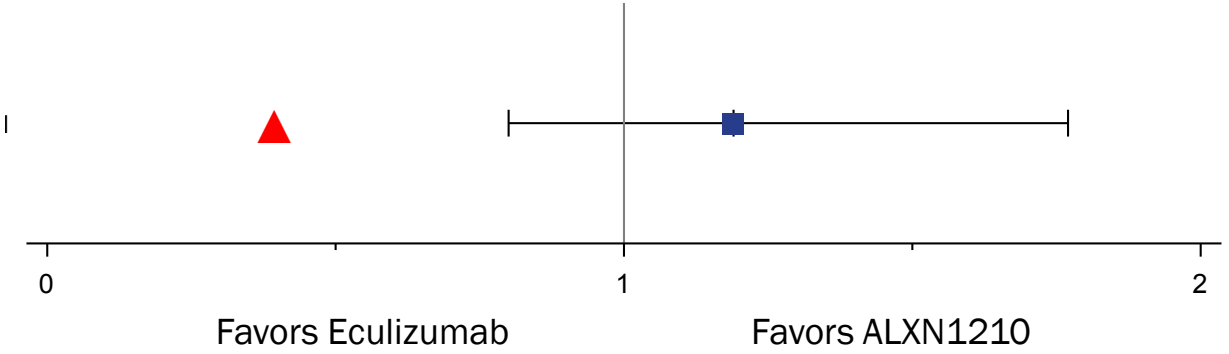
ALEXION PHARMACEUTICALS, INC.
RECONCILIATION OF FREE CASH FLOW
(in millions)
(unaudited)

Net cash provided by operating activities	299.3
Purchases of property, plant and equipment	(66.6)
Free Cash Flow	232.7

Naive Study: Non-Inferiority Achieved on Co-Primary Endpoints



	ALXN1210 (N=125)	Eculizumab (N=121)	Treatment Diff (95% CI)
Transfusion Avoidance Diff in Proportion of Patients	73.6	66.1	6.8 (-4.7, 18.1)[a]



	ALXN1210 (N=125)	Eculizumab (N=121)	Odds Ratio (95% CI)[1]
LDH Normalization Odds Ratio	53.6	49.4	1.19 (0.8, 1.77) [b]

▲ = Non-inferiority Margin for the Given Endpoint

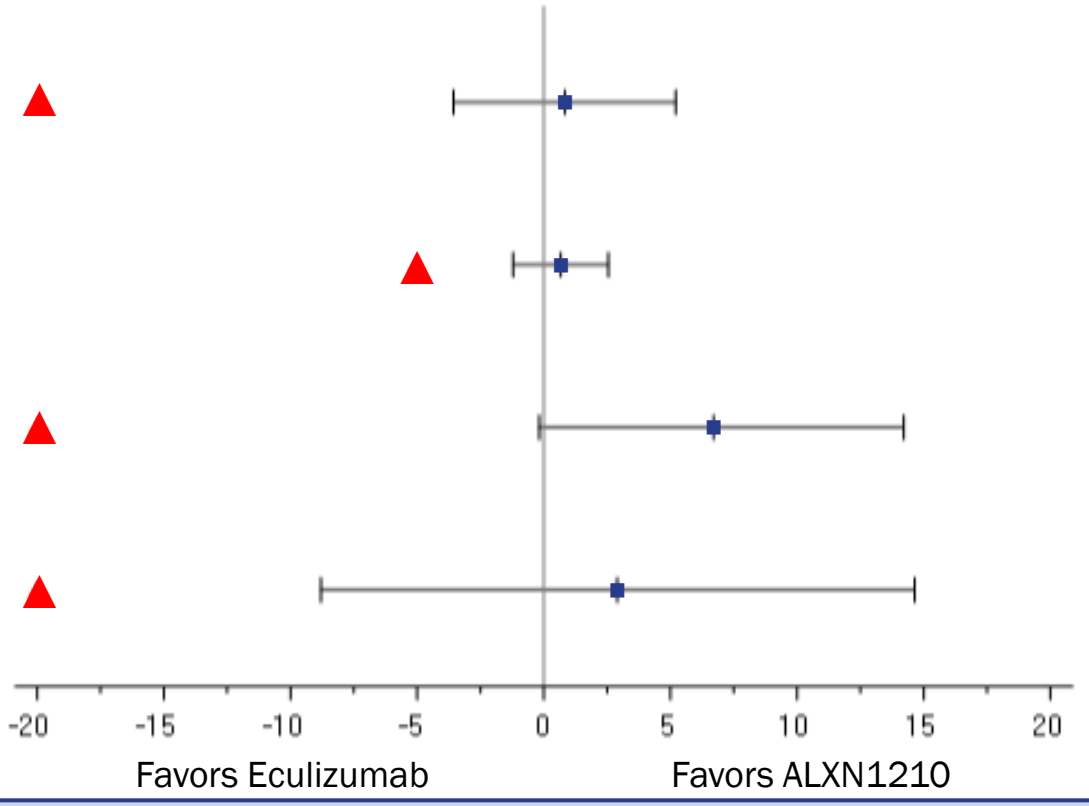
Non-inferiority Achieved on Both Co-primary Endpoints: Numerically Favors ALXN1210

Note: CI=Confidence interval; Diff=difference; TA=Transfusion Avoidance; LDH-N=LDH Normalization. OR=Odds ratio Note: For endpoint TA, Diff (95% CI) are based on estimated differences in percent with 95% CI. For LDH-N, adjusted prevalence within each treatment are displayed. Treatment difference is estimated for ALXN1210-eculizumab. [1] To calculate the OR of ALXN1210 relative to eculizumab from the displayed adjusted prevalence rates, divide the odds of LDH-N on ALXN1210 (0.536/(1-0.536)) by the odds of LDH-N on eculizumab (0.494/(1-0.494))

[a]Difference in proportion of patients; [b] Odds ratio

Provided March 15, 2018, as part of an oral presentation and is qualified by such, contains forward-looking statements, actual results may vary materially; Alexion disclaims any duty to update.

Naive Study: Non-Inferiority Achieved on All 4 Key Secondary Endpoints



	ALXN1210 (N=125)	Eculizumab (N=121)	Diff (95% CI)[1]
LDH Reduction	-76.84	-76.02	0.83 (-3.6, 5.2)[2,a]
FACIT-Fatigue Improvement	7.07	6.40	0.67 (-1.2, 2.6)[a]
Rate of Breakthrough Hemolysis	4.0	10.7	6.7 (-0.18,14.2)[2,b]
Stabilization of Hb levels	68.0	64.5	2.9 (-8.8, 14.6)[b]

▲ = Non-inferiority Margin for the Given Endpoint

Non-inferiority Achieved on All Key Secondary Endpoints: Numerically Favors ALXN1210

Note: CI=Confidence interval; Diff=difference; [1]For endpoints LDH Reduction vs. BL, Rate of Breakthrough Hemolysis, and Stabilization of Hb levels (95% CI) are based on estimated differences in percent with 95% CI. For FACIT–Fatigue, Diff (95% CI) are based on estimated differences in change from baseline.
[2] Treatment difference is estimated for ALXN1210-eculizimab except for LDH Reduction vs BL and Rate of Breakthrough Hemolysis where treatment difference is based on eculizumab-ALXN1210.
[a]Difference in change vs. Baseline; [b]Difference in proportion of patients;
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