Alexion Pharmaceuticals Reports 2005 Financial Results and 2006 Outlook

- Positive Results from the PNH TRIUMPH Phase III Study Highlights Period -

Cheshire, Conn., February 14, 2006 – In connection with a change in its fiscal year end from July 31 to December 31, Alexion Pharmaceuticals, Inc. (NASDAQ: ALXN) today announced financial results for its five month transition period ended December 31, 2005.

For the five-month transition period ended December 31, 2005, Alexion reported revenues of $0.7 million compared to $0.2 million for the same period last year. The Company had increased activity related to government funded research grants compared with the same period last year.

Total operating expenses for the five-month transition period ended December 31, 2005, were $61.0 million compared with $38.1 million in the same period last year. The Company's research and development expenses for the five month transition period ended December 31, 2005 were $48.2 million compared to $31.9 million for the same period last year. The increase in research and development expenses resulted primarily from higher clinical development costs related to the current clinical trials of the Company's lead drug candidates, Soliris™ (eculizumab) and pexelizumab; the expensing of employee stock option grants; higher payroll and benefits costs to support our research and development activities; and higher manufacturing expenses. The Company's general and administrative expenses were $12.8 million for the five month transition period ended December 31, 2005 compared to $6.2 million for the same period last year. The increase resulted principally from expensing of employee stock options, increased headcount dedicated to commercial development activities and higher professional fees principally for patent and compliance activities.

The Company posted investment income for the five month transition period ended December 31, 2005 of $3.1 million compared with $1.8 million for the same period last year, reflecting higher market interest rates and a higher principal balance. The higher principal balance is a result of the August 2005 issuance of 2.5 million shares of common stock in a public offering at $26.75 per share, resulting in net proceeds of $64.5 million, as well as an increase in convertible debt due to the sale of $150 million principal amount of 1.375% convertible senior notes ("1.375% Notes") in January 2005, which was partially offset by the redemption of the Company's $120 million principal amount of 5.75% convertible subordinated notes ("5.75% Notes") in March 2005. Interest expense was $1.2 million for the five-month transition period ended December 31, 2005 compared with $3.2 million for the same period last year. The decrease in interest expense is attributable to the lower interest rate for the 1.375% Notes compared to the 5.75% Notes.

The Company incurred a net loss for the five month transition period ended December 31, 2005 of $58.0 million, or $1.90 per common share, versus a net loss of $35.4 million, or $1.28 per common share, for the same period last year.

Effective August 1, 2005, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment ("SFAS 123R"), which requires recognition of the fair value of stock-based compensation in net earnings. The effect of SFAS 123R on our operating expenses and net loss was $4.1 million in the five month transition period ended December 31, 2005, and the effect on loss per common share was $0.13. The adoption of SFAS 123R had no impact on the Company's operating cash flow.

As of December 31, 2005, Alexion had approximately $212.5 million in cash, cash equivalents and marketable securities as compared to $195.4 million at July 31, 2005. This increase in cash, cash equivalents and marketable securities as compared to July 31, 2005, was due primarily to the issuance of 2.5 million shares of common stock in a public offering in August 2005 at $26.75 per share, resulting in net proceeds of $64.5 million.

Clinical Update – Soliris™ (eculizumab)

On January 26, 2006, the Company announced positive results from its TRIUMPH Phase III pivotal trial with its lead drug candidate Soliris™ (eculizumab) in the orphan blood disorder Paroxysmal Nocturnal Hemoglobinuria ("PNH"). The trial met the co-primary endpoints of transfusion rate and hemoglobin stabilization with statistical significance. All secondary endpoints were also achieved with statistical significance. The companion SHEPHERD open-label Phase III trial is progressing according to plan. SHEPHERD is aimed at providing safety and additional efficacy data for Soliris™ (eculizumab) in PNH.

Conference Call/Web cast Information

Alexion will host a conference call/webcast to discuss matters mentioned in this release. The call is scheduled for today,

February 14th at 8:30 a.m., Eastern Time. To participate in this call, dial 719-457-2727, confirmation code 7167764, shortly before 8:30 a.m., Eastern Time. A replay of the call will be available for a limited period following the call, beginning at 11:30 a.m. today. The replay number is 719-457-0820, confirmation code 7167764. The web cast can be accessed at: www.alexionpharm.com.

About Alexion

Alexion Pharmaceuticals is a biotechnology company working to develop and deliver life-changing drug therapies for patients with serious and life-threatening medical conditions. Alexion is engaged in the discovery and development of therapeutic products aimed at treating patients with a wide array of severe disease states, including hematologic diseases, cancer, and autoimmune disorders. Alexion's two lead product candidates, eculizumab and pexelizumab, are currently undergoing evaluation in several clinical development programs, including two Phase III trials of Soliris™ (eculizumab) for the treatment of paroxysmal nocturnal hemoglobinuria (PNH). Under the Special Protocol Assessment (SPA) process, the FDA has agreed to the design of protocols for the two trials of Soliris™ (eculizumab) in PNH patients that could, if successful, serve as the primary basis of review for approval of a licensing application for eculizumab in the PNH indication. The Company's Phase III trial of pexelizumab in coronary artery bypass graft (CABG) surgery patients undergoing cardiopulmonary bypass (CPB) did not achieve its primary endpoint. The Company has determined to finalize its ongoing Phase III trial of pexelizumab in acute myocardial infarction (AMI) patients with fewer patients than originally planned. The pexelizumab trials are conducted in collaboration with Procter and Gamble Pharmaceuticals. Preliminary results from the PRIMO-CABG2 trial of pexelizumab indicate that the trial is unlikely to be sufficient for filing for licensing approval of pexelizumab in the CABG indication. The number of patients to be enrolled in the AMI trial may not be sufficient for the previously agreed pexelizumab SPA for AMI. Alexion is engaged in discovering and developing a pipeline of additional antibody therapeutics targeting severe unmet medical needs, through its wholly owned subsidiary, Alexion Antibody Technologies, Inc. This press release and further information about Alexion Pharmaceuticals, Inc. can be found at: http://www.alexionpharm.com.

ALEXION PHARMACEUTICALS, INC.

Selected Financial Data

Consolidated Statements of Operations Data

(amounts in thousands, except per share amounts)

	Five months ended December 31,		Year ended July 31,	
	2005 (Unaudited)	2004 (Unaudited)	2005	2004
CONTRACT RESEARCH REVENUES	$664	$245	$1,064	$4,609
OPERATING EXPENSES:				
Research and Development	48,238	31,914	91,388	59,840
General and Administrative	12,763	6,160	18,951	14,459
Impairment of fixed assets	-	-	-	760
Total Operating Expenses	61,001	38,074	110,339	75,059
Operating loss	(60,337)	(37,829)	(109,275)	(70,450)
Other income (expense):				
Investment Income	3,123	1,756	5,266	3,373
Interest Expense	(1,192)	(3,153)	(6,125)	(7,709)
Gain from extinguishment of note payable	-	3,804	3,804	-
Loss from early extinguishment of debt	-	-	(3,185)	-
Total other income (expense)	1,931	2,407	(240)	(4,336)

State tax benefit	450	61	765	691
Net loss	$(57,956)	$(35,361)	$(108,750)	$(74,095)
Basic and diluted net loss per common share	$(1.90)	$(1.28)	$(3.90)	$(3.43)
Shares used in computing net loss per common share	30,523	27,685	27,852	21,622
Memo: Share-based compensation included in net loss	4,100	-	-	-

Consolidated Balance Sheet Data

(dollars in thousands)

	As of December 31		July 31	
	2005 (Unaudited)	2004 Unaudited	2005	2004
Cash, cash equivalents and marketable securities	$212,456	$232,498	$195,404	$266,501
Total Assets	$262,711	$281,221	$248,122	$319,575
Total Stockholders' Equity	$81,890	$138,505	$67,671	$172,522

This news release contains forward-looking statements, including statements related to financial guidance for calendar year 2006 with respect to the projected net loss, research and development costs, costs related to clinical trials for pexelizumab and general and administrative costs, characterization of clinical trial results, timing of announcement of clinical trial results, commercial potential of Alexion’s drug candidates, the progression of Alexion’s drug candidates towards commercial sales and timing for submission of, and decisions with respect to, marketing applications for Solaris. Forward-looking statements are subject to factors that may cause Alexion's results and plans to differ from those expected, including delays in completion of ongoing clinical trials, delays in completion of analysis of clinical trial results, timing and evaluation by regulatory agencies of the results of these and other clinical trials, the results of pre-clinical or clinical studies (including termination or delay in clinical programs), the need for additional research and testing, decision of the FDA or other regulatory authorities not to approve (or to materially limit) marketing of one or both of Alexion's two drug candidates, delays in arranging satisfactory manufacturing capability, inability to acquire funding on timely and satisfactory terms, delays in developing or adverse changes in commercial relationships, the possibility that results of earlier clinical trials are not predictive of safety and efficacy results in later clinical trials, dependence on Procter & Gamble Pharmaceuticals for development and commercialization of pexelizumab, the risk that third parties won't agree to license any necessary intellectual property to us on reasonable terms, and a variety of other risks set forth from time to time in Alexion's filings with the Securities and Exchange Commission, including but not limited to the risks discussed in Alexion's Annual Report on Form 10-K for the year ended July 31, 2005 and in our other filings with the Securities and Exchange Commission. P&GP retains the development rights and the termination rights discussed in Alexion's Form 10-K referred to above. 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.