

To Our Shareholders

At Alexion, serving patients with rare diseases and their families is our unwavering mission. I am pleased to report on a year in which we delivered strong results while pursuing a strategic transformation to build an even stronger company that will serve patients for generations to come.

I joined Alexion one year ago because I was attracted to the company's patient-centered approach, high-performing talent, and innovation in fighting devastating complement-mediated and metabolic disorders. I also saw an opportunity to build on this foundation and create more value for patients and shareholders alike.

I am proud to say that we accomplished a great deal in 2017. We strengthened our leadership team and Board of Directors and enhanced our commitment to culture and compliance. We also assessed and prioritized our pipeline to leverage what we do best, refocused our corporate strategy, and restructured our global organization to align with this focus.

As we evolved, our business momentum remained strong thanks to the focus and discipline of our team:

- We continued to see double-digit revenue and volume growth for Soliris® (eculizumab) and believe there is meaningful growth ahead for this life-transforming therapy in both paroxysmal nocturnal hemoglobinuria (PNH) and atypical hemolytic uremic syndrome (aHUS);
- We celebrated the approval of a third indication for Soliris® for patients with generalized myasthenia gravis (gMG) who are anti-acetylcholine receptor (AChR) antibody-positive in the U.S., EU, and Japan—a tremendous milestone for the MG community, which had not seen a new therapy approved in decades. Our initial launch is under way, and we are excited to bring this much-needed therapy to patients who continue to suffer significant unresolved disease symptoms;
- We strengthened our global patent portfolio for Soliris®, receiving new patents in the U.S. and Japan that extend patent protection into 2027;
- We served more patients with hypophosphatasia (HPP) and lysosomal acid lipase deficiency (LAL-D) in launch markets and reached additional funding agreements for Strensiq® (asfotase alfa) and Kanuma® (sebelipase alfa) to expand access in new markets.

From an R&D perspective, we strengthened our complement leadership through the development of ALXN1210, our highly innovative next-generation C5 inhibitor and the crown jewel in our pipeline. We recently announced positive top-line results from the pivotal Phase 3 study of ALXN1210 in complement inhibitor treatment-naïve patients with PNH. We were very pleased that the study achieved non-inferiority to Soliris® on both co-primary endpoints and all four key secondary endpoints. The results reinforce our ambition to establish ALXN1210 as the new standard of care for patients with PNH, and I am proud of how urgently the team is working to bring a portfolio of options to patients with complement-mediated diseases. In addition to this significant progress with ALXN1210, we also completed enrollment in our Phase 3 Soliris® program in neuromyelitis optica spectrum disorder (NMOSD) and expect data later this year.

Our purpose-driven performance is reflected in solid financial results for the year, with total revenues of \$3.5B, representing 15% revenue growth and 17% volume growth from 2016. Importantly, we established a foundation to achieve our financial ambitions through 2019, including double-digit revenue growth, a non-GAAP operating margin of 50%, and non-GAAP earnings-per-share growth greater than revenue growth.

In 2018, we will continue to grow our in-line business and advance our R&D programs, while pursuing disciplined business development to build a leading rare disease pipeline diversified by stage and risk. Our 2,500 passionate employees around the world will partner with patients, physicians, and business and community partners to deliver groundbreaking innovation that will help redefine what it means to live with a rare disease. Our strength together will continue to be deeply rooted in the transformative power of our science and the courage and tenacity of the patients and families we serve.

I thank our patients and their families for their trust in us and the inspiration they provide, our employees for their excellence, passion, and unwavering commitment, and our investors for their continued support.

Sincerely,



LUDWIG HANTSON, Ph.D.
Chief Executive Officer

