

ACTELION LTD AND SUBSIDIARIES

CONSOLIDATED US GAAP FINANCIAL STATEMENTS FOR MARCH 31, 2008

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**ACTELION LTD AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS**

	Three months ended	
	March 31,	
<i>(in CHF thousands, except per share amounts)</i>	2008	2007
Net revenue:		
Products sales	314,639	283,611
Contract revenue	6,937	6,828
Total net revenue	321,576	290,439
Operating expenses (1)		
Cost of sales	34,088	29,361
Research and development	93,918	65,742
Selling, general and administrative*	121,022	117,085
Amortization of acquired intangible assets	4,786	4,904
Write-off of acquired in-process research and development	-	224,820
Total operating expense	253,814	441,912
Operating income (loss)	67,762	(151,473)
Interest income	4,997	3,838
Interest expense	(1,446)	(14)
Amortization of debt discount and issuance costs	(417)	(2,867)
Other financial income (expense), net	(17,641)	9,266
Income (loss) before income tax	53,255	(141,250)
Income tax expense	(4,920)	(8,748)
Net income (loss)	48,335	(149,998)
Basic net income (loss) per share	0.41	(1.29)
Number of shares (in thousands) used in computation	118,364	116,635
Diluted net income (loss) per share	0.39	(1.29)
Number of shares and share options (in thousands) used in computation	123,357	116,635
(1) Includes employee stock option costs as follows:		
Research and development	5,244	6,609
Selling, general and administrative*	8,357	12,129
Total stock-based compensation	13,601	18,738

* "Selling, general and administration" includes "Marketing and advertising" expenses

**ACTELION LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

<i>(in CHF thousands, except number of shares)</i>	March 31, 2008	December 31, 2007
Assets		
Current assets		
Cash and cash equivalents	419,195	331,586
Short-term deposits	326,840	527,415
Derivative instruments	3,406	322
Trade and other receivables, net	330,043	329,528
Inventories	38,028	42,787
Other current assets	45,358	35,386
Deferred tax asset, current portion	558	559
Total current assets	1,163,428	1,267,583
Long-term deposits*	107,660	-
Property, plant and equipment, net	118,423	113,993
Other assets	10,346	10,011
Intangible assets, net	165,345	187,417
Goodwill, net	76,757	81,155
Deferred tax asset	18,163	15,275
Total assets	1,660,122	1,675,434
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	84,828	89,101
Accrued expenses	168,579	208,961
Deferred revenue, current portion	26,813	28,434
Other current liabilities	438	1,184
Short-term financial debt	481,200	493,000
Total current liabilities	761,858	820,680
Long-term financial debt	193,800	84,100
Deferred revenue, less current portion	101,395	106,514
Other non-current liabilities	5,762	5,213
Pension liability	5,790	4,000
Deferred tax liability	4,215	2,546
Total liabilities	1,072,820	1,023,053
Shareholders' equity		
Common shares (par value CHF 0.50 per share, authorized 213,045,390 and 213,275,590 shares for 2008 and 2007 respectively; issued 122,910,238 and 122,027,729 shares in 2008 and 2007 respectively)	61,455	61,014
Additional paid-in capital	487,904	569,920
Accumulated profit	329,542	281,207
Treasury shares, at cost	(230,627)	(230,627)
Accumulated other comprehensive income (loss)	(60,972)	(29,133)
Total shareholders' equity	587,302	652,381
Total liabilities and shareholders' equity	1,660,122	1,675,434

* Cash separately classified as a deposit maintained as compensating balance

ACTELION LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended	
	March 31,	
<i>(in CHF thousands)</i>	2008	2007
Cash flow from operating activities		
Net income (loss)	48,335	(149,998)
Adjustments to reconcile net income (loss) to net cash provided from operating activities:		
Depreciation and amortization	10,137	9,203
Stock-based compensation	13,601	18,738
Excess tax benefits from share-based payment arrangements	(2,824)	(2,663)
(Gains) Losses on derivative instruments	(3,819)	2,232
(Gains) Losses on marketable securities	-	(490)
Write-off of acquired in-process research and development	-	224,820
Amortization of debt discount and expense	417	2,867
Trade and other receivables	(22,006)	(19,808)
Inventories	3,925	(3,148)
Other current assets	(12,914)	(6,690)
Other assets	(10,105)	1,468
Trade and other payables	(618)	7,230
Accrued expenses	(30,369)	(10,765)
Deferred revenue	(6,662)	(6,709)
Other liabilities	11,729	(2,031)
Changes in other operating cash flow items	23,269	(2,322)
Net cash flow provided by operating activities	22,096	61,934
Cash flow from investing activities		
Purchase of short-term and long-term deposits	(142,700)	(108,147)
Withdrawal of short-term and long-term deposits	235,615	156,432
Purchase of property, plant and equipment	(10,405)	(14,396)
Proceeds from sale of marketable securities	-	43,985
Purchase of derivative instruments	-	(505)
Proceeds from sale of derivative instruments	-	505
Purchase of intangible assets	(2,692)	(1,819)
Acquisition of subsidiary	-	(520,271)
Net cash flow provided by (used in) investing activities	79,818	(444,216)
Cash flow from financing activities		
Payments on capital leases	(35)	(82)
Issuance of 2006 convertible bond	-	(260)
Conversion costs 2003 convertible bond	-	(2,213)
Bank loan	97,900	-
Proceeds from exercise of stock options, net of expense	8,112	18,551
Purchase of treasury shares	-	(34,420)
Purchase of call option	(106,031)	-
Excess tax benefits from share-based payment arrangements	2,824	2,663
Net cash flow provided by (used in) financing activities	2,770	(15,761)
Net effect of exchange rates on cash and cash equivalents	(17,075)	(298)
Net change in cash and cash equivalents	87,609	(398,341)
Cash and cash equivalents at beginning of period	331,586	926,137
Cash and cash equivalents at end of period	419,195	527,796

ACTELION LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in CHF thousands, except number of shares)

	Common shares		Additional	Accumulated	Treasury	Other	Shareholders'
	Shares	Amount	paid-in- capital	profit	shares	comprehensive income (loss)	equity
At January 1, 2008	118,087,219	61,014	569,920	281,207	(230,627)	(29,133)	652,381
Comprehensive income net of tax effect:							
Net income				48,335			48,335
Other comprehensive income:							
Currency translation adjustment						(31,839)	(31,839)
Comprehensive income							16,496
Excess tax benefit from share-based payment			2,743				2,743
Exercise of stock options	882,509	441	7,671				8,112
Options related to own shares			(106,031)				(106,031)
Stock-based compensation expense, net			13,601				13,601
At March 31, 2008	118,969,728	61,455	487,904	329,542	(230,627)	(60,972)	587,302