

**ACTELION LTD AND SUBSIDIARIES**

**UNAUDITED CONSOLIDATED US GAAP FINANCIAL STATEMENTS FOR JUNE 30, 2010**

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ACTELION LTD AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED INCOME STATEMENTS

<i>(in CHF thousands, except per share amounts)</i>	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
<b>Net revenue</b>				
Product sales	483,401	433,824	933,210	823,247
Contract revenue	39,799	15,802	91,653	31,992
<b>Total net revenue</b>	<b>523,200</b>	<b>449,626</b>	<b>1,024,863</b>	<b>855,239</b>
<b>Operating expenses <sup>(1)</sup></b>				
Cost of sales	52,928	46,003	100,742	89,028
Research and development	117,088	113,737	233,229	209,585
Selling, general and administration	178,774	160,758	342,612	299,589
Amortization of acquired intangible assets	11,049	7,883	21,647	14,161
<b>Total operating expenses</b>	<b>359,839</b>	<b>328,381</b>	<b>698,230</b>	<b>612,363</b>
<b>Operating income</b>	<b>163,361</b>	<b>121,245</b>	<b>326,633</b>	<b>242,876</b>
Interest income	770	1,011	1,543	2,502
Interest expense	(1,994)	(2,202)	(3,567)	(2,490)
Amortization of debt discount and issuance costs	(4,637)	(4,442)	(9,225)	(8,836)
Other financial income (expense), net	(20,703)	12,898	(30,181)	7,524
<b>Income before income tax expense</b>	<b>136,797</b>	<b>128,510</b>	<b>285,203</b>	<b>241,576</b>
Income tax expense	(15,387)	(12,289)	(30,997)	(23,136)
<b>Net income</b>	<b>121,410</b>	<b>116,221</b>	<b>254,206</b>	<b>218,440</b>
<b>Basic net income per share</b>	<b>1.02</b>	<b>0.98</b>	<b>2.14</b>	<b>1.85</b>
Weighted-average number of common shares (in thousands)	118,949	118,616	118,912	118,256
<b>Diluted net income per share</b>	<b>1.00</b>	<b>0.95</b>	<b>2.10</b>	<b>1.79</b>
Weighted-average number of common shares (in thousands)	121,016	122,033	121,314	122,340
<sup>(1)</sup> Includes employee stock option costs as follows:				
Research and development	9,431	8,390	16,181	13,363
Selling, general and administration	15,446	14,008	25,003	21,145
<b>Total stock-based compensation</b>	<b>24,877</b>	<b>22,398</b>	<b>41,184</b>	<b>34,508</b>

ACTELION LTD AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED BALANCE SHEETS

(in CHF thousands, except number of shares)

	<b>June 30, 2010</b>	<b>December 31, 2009</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,075,047	877,325
Short-term deposits	236,427	466,234
Derivative instruments	7,875	11,545
Trade and other receivables, net	512,902	469,557
Inventories	59,196	61,365
Other current assets	33,420	46,916
Deferred tax assets, current portion	5,001	4,868
<b>Total current assets</b>	<b>1,929,868</b>	<b>1,937,810</b>
Property, plant and equipment, net	315,754	281,152
Other non-current assets	19,014	19,443
Intangible assets, net	271,384	283,364
Goodwill	78,618	77,630
Long-term financial assets	12,282	13,149
Deferred tax assets, less current portion	50,258	52,369
<b>Total assets</b>	<b>2,677,178</b>	<b>2,664,917</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Trade and other payables	99,259	117,460
Accrued expenses	277,184	406,343
Deferred revenue, current portion	21,909	107,599
Other current liabilities	42,924	48,583
Short-term financial debt	435,383	426,910
<b>Total current liabilities</b>	<b>876,659</b>	<b>1,106,895</b>
Deferred revenue, less current portion	83,187	89,065
Other non-current liabilities	27,691	47,794
Pension liability	6,376	13,100
Deferred tax liabilities	399	412
<b>Total liabilities</b>	<b>994,312</b>	<b>1,257,266</b>
<b>Shareholders' equity</b>		
Common shares (par value CHF 0.50 per share, authorized 248,151,860 and 248,290,335 shares; issued 129,301,361 and 128,527,224 shares in 2010 and 2009, respectively)	64,651	64,264
Additional paid-in capital	1,156,575	1,098,840
Accumulated profit	1,136,466	882,260
Treasury shares, at cost	(582,502)	(558,227)
Accumulated other comprehensive income (loss)	(92,324)	(79,486)
<b>Total shareholders' equity</b>	<b>1,682,866</b>	<b>1,407,651</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,677,178</b>	<b>2,664,917</b>

ACTELION LTD AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in CHF thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
<b>Cash flow from operating activities</b>				
Net income	121,410	116,221	254,206	218,440
Adjustments to reconcile net income to net cash provided from operating activities:				
Depreciation and amortization	19,137	14,665	37,325	27,463
Stock-based compensation, incl. treasury shares to members of Board of Directors	25,546	22,398	41,791	34,508
Excess tax benefits from share-based payment arrangements	(139)	(1,223)	(1,287)	(4,353)
(Gains) Losses on derivative instruments	2,112	(13,670)	11,653	(7,767)
Amortization of debt discount and issuance costs	4,637	4,442	9,225	8,836
Trade and other receivables	(19,604)	(41,331)	(71,841)	(72,980)
Inventories	2,779	(1,728)	2,162	(4,034)
Other current assets	23,166	8,700	13,871	(2,808)
Other assets	1,641	(1,762)	924	(4,477)
Trade and other payables	3,963	(29,396)	(12,669)	826
Accrued expenses	40,628	41,284	(127,106)	(29,595)
Deferred revenue	(39,755)	(15,489)	(91,573)	(31,679)
Other liabilities	(730)	(239)	1,453	1,478
Changes in other operating cash flow items	5,501	(3,470)	6,081	(6,654)
<b>Net cash flow provided by operating activities</b>	<b>190,292</b>	<b>99,402</b>	<b>74,215</b>	<b>127,204</b>
<b>Cash flow from investing activities</b>				
Purchase of short-term and long-term deposits	(90,000)	(234,000)	(90,193)	(432,504)
Proceeds from short-term and long-term deposits	270,000	198,504	320,000	567,321
Purchase of property, plant and equipment	(27,705)	(22,448)	(50,760)	(45,349)
Purchase of marketable securities	-	-	-	(50,000)
Settlement of derivative instruments	-	-	-	(3,457)
Purchase of intangible assets	(3,134)	(1,495)	(4,755)	(3,964)
Acquisition of subsidiary	(10,785)	-	(42,933)	(57,785)
<b>Net cash flow provided by (used in) investing activities</b>	<b>138,376</b>	<b>(59,439)</b>	<b>131,359</b>	<b>(25,738)</b>
<b>Cash flow from financing activities</b>				
Payments on capital leases	(37)	(36)	(69)	(76)
Repayment of financial debts	-	-	-	(193,800)
Proceeds from exercise of stock options, net of expense	3,164	13,044	16,366	49,746
Purchase of treasury shares	-	-	(25,000)	-
Proceeds from exercise of options related to own shares	-	-	-	188,637
Excess tax benefits from share-based payment arrangements	139	1,223	1,287	4,353
<b>Net cash flow provided by (used in) financing activities</b>	<b>3,266</b>	<b>14,231</b>	<b>(7,416)</b>	<b>48,860</b>
Net effect of exchange rates on cash and cash equivalents	(2,126)	(3,146)	(436)	3,659
<b>Net change in cash and cash equivalents</b>	<b>329,808</b>	<b>51,048</b>	<b>197,722</b>	<b>153,985</b>
Cash and cash equivalents at beginning of period	745,239	830,396	877,325	727,459
<b>Cash and cash equivalents at end of period</b>	<b>1,075,047</b>	<b>881,444</b>	<b>1,075,047</b>	<b>881,444</b>

ACTELION LTD AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in CHF thousands, except number of shares)

	Common shares		Additional paid-in- capital	Accumulated profit	Treasury shares	Accum. other comprehensive income (loss)	Shareholders' equity
	Shares	Amount					
<b>At January 1, 2009</b>	<b>117,207,367</b>	<b>62,508</b>	<b>700,296</b>	<b>570,990</b>	<b>(442,816)</b>	<b>(48,875)</b>	<b>842,103</b>
Comprehensive income (loss) net of tax:							
Net income				218,440			218,440
Other comprehensive income (loss):							
Currency translation adjustment						7,853	7,853
Unrealized gain (loss) on marketable securities						(11,336)	(11,336)
<b>Comprehensive income (loss)</b>							<b>214,957</b>
Excess tax benefit and underrealization from share-based payment arrangement			3,756				3,756
Exercise of stock options	1,863,200	931	48,815				49,746
Transactions in treasury shares	10,524		37		536		573
Options related to own shares			188,637				188,637
Stock-based compensation expense			34,508				34,508
<b>At June 30, 2009</b>	<b>119,081,091</b>	<b>63,439</b>	<b>976,049</b>	<b>789,430</b>	<b>(442,280)</b>	<b>(52,358)</b>	<b>1,334,280</b>
Comprehensive income (loss) net of tax:							
Net income				92,830			92,830
Other comprehensive income (loss):							
Currency translation adjustment						(20,378)	(20,378)
Not recognized components of net periodic benefit costs						(10,129)	(10,129)
Unrealized gain (loss) on marketable securities						(5,893)	(5,893)
Reclassification into earnings						9,272	9,272
<b>Comprehensive income (loss)</b>							<b>65,702</b>
Excess tax benefit and underrealization from share-based payment arrangement			1,720				1,720
Exercise of stock options	1,648,417	825	57,471				58,296
Transactions in treasury shares	(1,958,898)		(1)		(115,947)		(115,948)
Options related to own shares			27,288				27,288
Stock-based compensation expense			36,313				36,313
<b>At December 31, 2009</b>	<b>118,770,610</b>	<b>64,264</b>	<b>1,098,840</b>	<b>882,260</b>	<b>(558,227)</b>	<b>(79,486)</b>	<b>1,407,651</b>
Comprehensive income (loss) net of tax:							
Net income				254,206			254,206
Other comprehensive income (loss):							
Currency translation adjustment						(11,971)	(11,971)
Unrealized gain (loss) on marketable securities						(867)	(867)
<b>Comprehensive income (loss)</b>							<b>241,368</b>
Excess tax benefit and underrealization from share-based payment arrangement			799				799
Exercise of stock options	774,137	387	15,979				16,366
Transactions in treasury shares	(515,534)		(118)		(24,275)		(24,393)
Stock-based compensation expense			41,075				41,075
<b>At June 30, 2010</b>	<b>119,029,213</b>	<b>64,651</b>	<b>1,156,575</b>	<b>1,136,466</b>	<b>(582,502)</b>	<b>(92,324)</b>	<b>1,682,866</b>