

ACTELION LTD AND SUBSIDIARIES

UNAUDITED CONSOLIDATED US GAAP FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2009

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ACTELION LTD AND SUBSIDIARIES
UNAUDITED CONSOLIDATED INCOME STATEMENTS

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
<i>(in CHF thousands, except per share amounts)</i>				
Net revenue:				
Product sales	431,391	377,608	1,254,638	1,040,390
Contract revenue	15,911	16,030	47,903	29,230
Total net revenue	447,302	393,638	1,302,541	1,069,620
Operating expenses ⁽¹⁾				
Cost of sales	56,833	41,922	145,861	114,827
Research and development	109,318	76,351	318,903	277,591
Selling, general and administration	149,914	132,483	449,503	387,608
Amortization of acquired intangible assets	10,869	4,902	25,030	14,398
Total operating expense	326,934	255,658	939,297	794,424
Operating income	120,368	137,980	363,244	275,196
Interest income	1,130	5,507	3,632	16,130
Interest expense	(2,301)	(1,672)	(4,791)	(4,924)
Amortization of debt discount and issuance costs ⁽²⁾	(4,490)	(4,300)	(13,326)	(12,764)
Other financial income (expense), net	7,751	(20,669)	15,275	(25,505)
Income before income tax expense	122,458	116,846	364,034	248,133
Income tax expense	(13,996)	(8,956)	(37,132)	(20,764)
Net income ⁽²⁾	108,462	107,890	326,902	227,369
Basic net income per share ⁽²⁾	0.91	0.92	2.76	1.92
Weighted-average number of common shares (in thousands)	119,088	117,816	118,534	118,342
Diluted net income per share ⁽²⁾	0.88	0.88	2.66	1.84
Weighted-average number of common shares (in thousands)	123,547	123,269	122,743	123,431
⁽¹⁾ Includes employee stock option costs as follows:				
Research and development	7,413	6,339	20,776	18,468
Selling, general and administration	11,495	9,738	32,640	30,879
Total stock-based compensation	18,908	16,077	53,416	49,347

⁽²⁾ Prior period comparatives have been adjusted due to the retrospective application of new accounting pronouncements, in order to reflect the cash conversion option of Group's convertible bond and the corresponding recognition of interest expense at Group's nonconvertible debt borrowing rate in subsequent periods.

ACTELION LTD AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

<i>(in CHF thousands, except number of shares)</i>	September 30, 2009	December 31, 2008
Assets		
Current assets		
Cash and cash equivalents	947,649	727,459
Short-term deposits	325,000	292,935
Derivative instruments	14,362	6,639
Trade and other receivables, net	448,745	365,864
Inventories	56,241	46,037
Other current assets	29,382	41,001
Pension assets	1,788	-
Deferred tax asset, current portion	3,299	3,200
Total current assets	1,826,466	1,483,135
Long-term deposits	-	80,882
Property, plant and equipment, net	254,556	177,588
Other non-current assets	18,598	12,513
Intangible assets, net	291,303	166,658
Goodwill	77,596	77,728
Long-term financial assets	21,279	30,378
Deferred tax asset	21,427	19,968
Total assets	2,511,225	2,048,850
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	111,344	83,538
Accrued expenses	242,753	255,951
Deferred revenue, current portion	51,196	61,449
Other current liabilities	53,352	7,806
Short-term financial debt ⁽¹⁾	422,741	458,201
Total current liabilities	881,386	866,945
Long-term financial debt	-	146,100
Deferred revenue, less current portion	141,294	178,491
Other non-current liabilities	49,149	6,037
Pension liability	-	8,830
Deferred tax liability	403	344
Total liabilities	1,072,232	1,206,747
Shareholders' equity		
Common shares (par value CHF 0.50 per share, authorized 212,703,685 and 212,861,205 shares; issued 128,020,306 and 125,015,607 shares in 2009 and 2008 respectively)	64,010	62,508
Additional paid-in capital ⁽¹⁾	1,034,837	700,296
Accumulated profit ⁽¹⁾	897,892	570,990
Treasury shares, at cost	(492,030)	(442,816)
Accumulated other comprehensive loss	(65,716)	(48,875)
Total shareholders' equity	1,438,993	842,103
Total liabilities and shareholders' equity	2,511,225	2,048,850

⁽¹⁾ Prior period comparatives have been adjusted due to the retrospective application of new accounting pronouncements, in order to reflect the cash conversion option of Group's convertible bond and the corresponding recognition of interest expense at Group's nonconvertible debt borrowing rate in subsequent periods.

ACTELION LTD AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in CHF thousands)	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Cash flow from operating activities				
Net income ⁽¹⁾	108,462	107,890	326,902	227,369
Adjustments to reconcile net income to net cash provided from operating activities:				
Depreciation and amortization	17,885	10,795	45,348	31,100
Stock-based compensation, incl. treasury shares to members of Board of Directors	19,480	16,076	53,988	49,782
Excess tax benefits from share-based payment arrangements	(1,856)	(1,394)	(6,209)	(5,138)
(Gains) Losses on derivative instruments	(3,591)	15,612	(11,358)	12,079
Amortization of debt discount and issuance costs ⁽¹⁾	4,490	4,300	13,326	12,764
Trade and other receivables	(6,751)	(37,832)	(79,731)	(61,595)
Inventories	(1,306)	(286)	(5,340)	5,856
Other current assets	3,879	3,906	1,071	(1,215)
Other assets	(1,695)	(806)	(6,172)	(10,775)
Trade and other payables	24,128	9,862	24,954	10,216
Accrued expenses	28,502	5,134	(1,093)	(4,743)
Deferred revenue	(15,771)	134,079	(47,450)	121,335
Other liabilities	31	(2,720)	1,509	6,327
Changes in other operating cash flow items	(2,160)	4,671	(8,814)	17,367
Net cash flow provided by operating activities	173,727	269,287	300,931	410,729
Cash flow from investing activities				
Purchase of short-term and long-term deposits	(320,000)	(249,976)	(752,504)	(932,012)
Proceeds from short-term and long-term deposits	234,000	209,802	801,321	982,577
Purchase of property, plant and equipment	(56,937)	(19,205)	(102,286)	(54,229)
Purchase of marketable securities	-	-	(50,000)	-
Proceeds from sale of marketable securities	50,000	-	50,000	-
Settlement of derivative instruments	-	-	(3,457)	-
Purchase of intangible assets	(1,778)	(945)	(5,742)	(5,018)
Acquisition of a business	-	(6,497)	(57,785)	(6,497)
Net cash flow provided by investing activities	(94,715)	(66,821)	(120,453)	(15,179)
Cash flow from financing activities				
Payments on capital leases	(32)	(73)	(108)	(144)
Repayment of financial debts	-	-	(193,800)	-
Proceeds from bank loans	-	-	-	97,900
Proceeds from exercise of stock options, net of expense	38,998	23,841	88,744	43,294
Purchase of treasury shares	(49,750)	(6,602)	(49,750)	(106,566)
Purchase of call option	-	-	-	(106,031)
Proceeds from exercise of options related to own shares	-	-	188,637	-
Excess tax benefits from share-based payment arrangements	1,856	1,394	6,209	5,138
Net cash flow provided by financing activities	(8,928)	18,560	39,932	(66,409)
Net effect of exchange rates on cash and cash equivalents	(3,879)	4,356	(220)	(7,816)
Net change in cash and cash equivalents	66,205	225,382	220,190	321,325
Cash and cash equivalents at beginning of period	881,444	427,529	727,459	331,586
Cash and cash equivalents at end of period	947,649	652,911	947,649	652,911

⁽¹⁾ Prior period comparatives have been adjusted due to the retrospective application of new accounting pronouncements, in order to reflect the cash conversion option of Group's convertible bond and the corresponding recognition of interest expense at Group's nonconvertible debt borrowing rate in subsequent periods.

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

<i>(in CHF thousands, except number of shares)</i>	Common shares		Additional	Accumulated	Treasury	Other	Shareholders'
	Shares	Amount	paid-in- capital	profit	shares	comprehensive income (loss)	equity
At January 1, 2008⁽¹⁾	118,087,219	61,014	650,172	264,917	(230,627)	(29,133)	716,343
Comprehensive income (loss) net of tax:							
Net income				306,073			306,073
Other comprehensive income:							
Currency translation adjustment						(24,337)	(24,337)
Not recognized components of net periodic benefit costs						(3,362)	(3,362)
Unrealized gain (loss) on marketable securities						7,957	7,957
Comprehensive income (loss)							286,331
Excess tax benefit and underrealization from share-based payment arrangement			6,842				6,842
Exercise of stock options	2,987,878	1,494	67,979				69,473
Transactions in treasury shares	(3,867,730)		59		(212,189)		(212,130)
Options related to own shares			(106,031)				(106,031)
Exercise of options related to own shares, net			18,677				18,677
Stock-based compensation expense, net			62,598				62,598
At December 31, 2008⁽¹⁾	117,207,367	62,508	700,296	570,990	(442,816)	(48,875)	842,103
Comprehensive income (loss) net of tax:							
Net income				326,902			326,902
Other comprehensive income:							
Currency translation adjustment						(7,742)	(7,742)
Unrealized gain (loss) on marketable securities						(9,099)	(9,099)
Comprehensive income (loss)							310,061
Excess tax benefit and underrealization from share-based payment arrangement			5,209				5,209
Exercise of stock options	3,004,699	1,502	87,242				88,744
Transactions in treasury shares	(815,637)		37		(49,214)		(49,177)
Options related to own shares			188,637				188,637
Stock-based compensation expense, net			53,416				53,416
At September 30, 2009	119,396,429	64,010	1,034,837	897,892	(492,030)	(65,716)	1,438,993

⁽¹⁾ Prior period comparatives have been adjusted due to the retrospective application of new accounting pronouncements, in order to reflect the cash conversion option of Group's convertible bond and the corresponding recognition of interest expense at Group's nonconvertible debt borrowing rate in subsequent periods.