

Report of the statutory auditors

To the Annual General Meeting of Actelion Ltd

Allschwil, Switzerland

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of Actelion Ltd for the year ended December 31, 2001.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG




Thomas Brüderlin



Alex Villiger

Basel, February 26, 2002

Holding Company Statements	43
Report of the Statutory Auditors	43
Holding Company Balance Sheet	44
Holding Company Income Statement	45
Notes to the Financial Statements	46

43	
43	
44	
45	
46	

Balance Sheet

Assets

[CHF]	December 31,	
	2001	2000
Current assets		
Liquid funds	38,635,228	142,937,756
Marketable securities	59,083,781	63,502,273
Accounts receivable from		
– subsidiaries	–	34,609,269
– others	230,443	–
Prepayments and accrued income	931,721	3,472,506
Total current assets	98,881,173	244,521,804
Noncurrent assets		
Financial assets:		
– Investments in subsidiaries	72,156,405	41,041,621
– Other investment	1,700,000	950,000
– Long-term loans to subsidiaries	118,091,271	–
Intangible assets:		
– Incorporation and capital increase costs	11,708,474	15,311,082
Total noncurrent assets	203,656,150	57,302,703
Total assets	302,537,323	301,824,507

Equity and liabilities

Current liabilities

Accounts payable and accrued liabilities	421,005	190,887
Total current liabilities	421,005	190,887

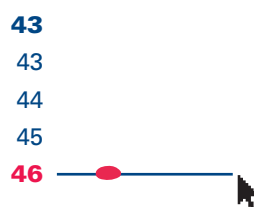
Shareholders' equity

Share capital	52,837,150	48,676,900
Legal reserves – share premium	251,049,804	250,785,222
Retained earnings	(1,770,636)	2,171,498
Total shareholders' equity	302,116,318	301,633,620
Total liabilities and shareholders' equity	302,537,323	301,824,507

Income Statement

[CHF]	Year ended December 31,	
	2001	2000
Financial income	9,480,339	6,170,405
Total income	9,480,339	6,170,405
Administrative expenses	923,401	378,328
Financial expenses	5,777,081	734,917
Amortization of incorporation and capital increase costs	3,602,608	2,701,956
Changes in value of financial assets	3,119,383	—
Total expenditure	13,422,473	3,815,201
Profit before tax	(3,942,134)	2,355,204
Income taxes	—	(183,706)
Net income for the year	(3,942,134)	2,171,498

Holding Company Statements	43
Report of the Statutory Auditors	43
Holding Company Balance Sheet	44
Holding Company Income Statement	45
Notes to the Financial Statements	46



Notes to the Financial Statements 2001

1. Accounting principles

The financial statements of Actelion Ltd have been prepared in accordance with the accounting principles as prescribed by Swiss Company Law.

2. Material investments

Company	Country	Location	Ownership Interest
Actelion Pharmaceuticals Australia Pty Ltd	Australia	Sydney	100%
Actelion Pharmaceuticals Canada Inc	Canada	Laval	100%
Actelion Pharmaceuticals France SAS	France	Paris	100%
Actelion Pharmaceuticals Deutschland GmbH	Germany	Freiburg	100%
Actelion Pharmaceuticals Hellas MEPE	Greece	Athens	100%
Actelion Pharmaceuticals Italia S.r.l.	Italy	Milan	100%
Actelion Pharmaceuticals Japan Ltd	Japan	Tokyo	100%
Actelion Pharmaceuticals España S.L.	Spain	Barcelona	100%
Actelion Pharmaceuticals Ltd	Switzerland	Allschwil	100%
Actelion Pharmaceuticals UK Ltd	United Kingdom	London	100%
Actelion Registration Ltd	United Kingdom	London	100%
Actelion Pharmaceuticals US, Inc	United States	South San Francisco	100%
Hesperion Ltd	Switzerland	Allschwil	64%
Axovan Ltd	Switzerland	Allschwil	23%

3. Share capital

At December 31, 2001, the issued share capital amounts to CHF 52,837,150 consisting of 21,134,860 common shares with a nominal value of CHF 2.50 each. The shares are registered and fully paid-up.

4. Conditional capital

Since inception, the Company has created conditional capital for the establishment of stock option plans, convertible bonds as well as for the potential issuance of shares in relation with certain credit facilities. At December 31, 2001, the Company has conditional capital of CHF 9,434,450.

Movements in conditional capital are as follows:

[CHF]	
January 1, 2000	8,553,000
Creation of conditional capital for convertible bonds/loans	2,100,000
Creation of conditional capital for Employee Stock Option Plans	3,000,000
Exercise of options and warrant	(1,338,300)
December 31, 2000	12,314,700
Creation of conditional capital for Employee Stock Option Plans	500,000
Creation of conditional capital for convertible bonds/loans	780,000
Exercise of options and warrant	(4,160,250)
December 31, 2001	9,434,450

5. Authorized capital

The Annual General Meeting of April 9, 2001 has authorized the Company to create capital to be used for strategic purposes. The Board of Directors is authorized to increase until April 9, 2003 the share capital by an amount of not more than CHF 5,000,000 by issuance of not more than 2,000,000 fully paid-in registered shares with a nominal value of CHF 2.50 per share.

6. Treasury shares

During 2001, the Group traded 38,290 own shares with an average purchase price of CHF 52.35 and average sales price of CHF 55.94. At December 31, 2001, the Group had no holdings in own shares.

7. Significant shareholders at December 31, 2001

According to the information available to the Board of Directors, the following shareholders held a significant percentage of shares:

Name	2001		2000	
	Percentage of share capital	Percentage of voting rights	Percentage of share capital	Percentage of voting rights
Management and Directors*	20.3%	20.3%	14.3%	14.3%
Deutsche Bank	6.2%	5.0%	–	–
Chase Nominees	6.2%	5.0%	–	–
OrbiMed Advisors	5.2%	5.2%	–	–
Biotech Invest	5.2%	5.2%	–	–
Atlas Venture Fund III L.P.	–	–	7.88%	7.88%
TVM Technoventure Management III GmbH & Co. KG	–	–	6.16%	6.16%

*No individual has holdings exceeding 5%.

Proposed appropriation of available earnings

	2001	2000
Available earnings		
Retained earnings at the beginning of the year	2,061,498	–
Net income/(loss) for the year	(3,942,134)	2,171,498
Total available earnings/(loss carried forward)	(1,880,636)	2,171,498
Appropriation to general legal reserve	–	(110,000)
Balance to be carried forward	(1,880,636)	2,061,498