

## Holding Company Statements

### Report of the statutory auditors

To the 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) included on pages 50 to 53 of Actelion Ltd for the year ended December 31, 2004.

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.

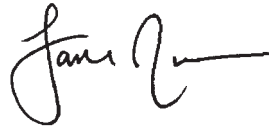
In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

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

PricewaterhouseCoopers AG



Clive Bellingham



James Rymer

Basel, February 18, 2005

Enclosures:

Financial statements (balance sheet, income statement and notes)  
Proposed appropriation of the available earnings

## Holding Company Statements

### Balance sheets

(in CHF thousands)

	December 31,	
	2004	2003
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	61,330	74,040
Marketable securities	1,349	1,802
Other receivables	1,158	147
Other receivables with group companies	1,319	–
Prepayments and accrued income	104	4
<b>Total current assets</b>	<b>65,260</b>	<b>75,993</b>
<b>Non-current assets</b>		
Investments in subsidiaries	178,828	146,766
Long-term loans to subsidiaries	132,563	129,957
Intangible assets, net	901	4,503
<b>Total non-current assets</b>	<b>312,292</b>	<b>281,226</b>
<b>Total assets</b>	<b>377,552</b>	<b>357,219</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Financial debt	–	40,000
Trade and other payables	32,961	–
Trade and other payables with group companies	9,880	–
Accrued expenses	988	999
Other short term liabilities	1,556	–
<b>Total current liabilities</b>	<b>45,385</b>	<b>40,999</b>
<b>Non-current liabilities</b>		
Other non-current liabilities	5,506	–
<b>Total non-current liabilities</b>	<b>5,506</b>	<b>–</b>
<b>Total liabilities</b>	<b>50,891</b>	<b>40,999</b>
<b>Shareholders' Equity</b>		
Common shares (par value CHF 2.50 per share, authorized 33,406,640 and 30,506,640 shares; issued 22,209,953 and 21,751,148 shares in 2004 and 2003, respectively)	55,525	54,378
Legal reserves – share premium	269,867	257,230
Treasury shares reserve	871	1,018
Accumulated profit	398	3,594
<b>Total shareholders' equity</b>	<b>326,661</b>	<b>316,220</b>
<b>Total liabilities and shareholders' equity</b>	<b>377,552</b>	<b>357,219</b>

## Income statements

(in CHF thousands)	Year ended December 31,	
	2004	2003
Financial income	7,527	10,607
Gain on disposal of investments	7,944	–
<b>Total income</b>	<b>15,471</b>	<b>10,607</b>
Administrative expense	(3,706)	(4,581)
Financial expense	(12,551)	(809)
Amortization of incorporation cost	(3,603)	(3,603)
Changes in value of financial assets	1,193	5,256
<b>Total expense</b>	<b>(18,667)</b>	<b>(3,737)</b>
<b>Income (loss) before tax</b>	<b>(3,196)</b>	<b>6,870</b>
Income tax expense	–	(105)
<b>Net income (loss)</b>	<b>(3,196)</b>	<b>6,765</b>

## Holding Company Statements

### Notes to the financial statements 2004

#### 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	Owner-ship Interest	Consolidation method	Function	Share Capital
Actelion Pharmaceuticals Australia Pty Ltd	Australia	Sydney	100%	Full	Sales	AUD 2,016,667
Actelion Pharmaceuticals Austria GmbH	Austria	Vienna	100%	Full	Sales	EUR 35,000
Actelion Pharmaceuticals do Brasil Ltda	Brazil	Rio de Janeiro	100%	Full	Sales	BRL 376,444
Actelion Pharmaceuticals Canada Inc	Canada	Laval	100%	Full	Sales	CAD 2,600,000
Actelion Pharmaceuticals France SAS	France	Paris	100 %	Full	Sales	EUR 200,000
Actelion Pharmaceuticals Deutschland GmbH	Germany	Freiburg	100%	Full	Sales	EUR 1,000,000
Actelion Pharmaceuticals Hellas SA	Greece	Chalandri	100%	Full	Sales	EUR 421,500
Actelion Pharmaceuticals Italia S r l	Italy	Milan	100%	Full	Sales	EUR 15,000
Actelion Pharmaceuticals Japan Ltd	Japan	Tokyo	100%	Full	Sales	JPY 95,000,000
Actelion Pharmaceuticals Nederland BV	Netherlands	Woerden	100%	Full	Sales	EUR 50,000
Actelion Pharmaceuticals Espana SL	Spain	Barcelona	100%	Full	Sales	EUR 127,100
Actelion Pharmaceuticals Sverige AB	Sweden	Danderyd	100%	Full	Sales	SEK 1,000,000
Actelion İlaç Ticaret L.S	Turkey	Istanbul	100%	Full	Sales	TRL 5,000,000,000
Actelion Pharmaceuticals Ltd (CH)	Switzerland	Allschwil	100 %	Full	Research, Development, Production, Marketing, Sales	CHF 614,610
Actelion Pharmaceuticals UK Ltd	United Kingdom	London	100%	Full	Sales	EUR 250,000
Actelion Registration Ltd	United Kingdom	London	100%	Full	Holder marketing authorization EU	GBP 1
Actelion Pharmaceuticals US Inc	United States	South San Francisco	100%	Full	Sales	USD 5,000
Actelion Pharma Schweiz AG	Switzerland	Baden	100%	Full	Marketing	CHF 100,000
Actelion Percurex AG	Switzerland	Basel	100 %	Full	Research	CHF 100,000
Actelion Paris Organisation SAS	France	Paris	100%	Full	Marketing Support	EUR 200,000
Actelion Clinical Operations, Inc.	United States	Cherry Hill, New Jersey	100%	Full	Clinical Research	USD 1,000
Actelion Finance SCA	Luxembourg	Luxembourg	100%	Full	Financing	CHF 62,000
Actelion Partners SNC	Luxembourg	Luxembourg	100%	Full	Financing	USD 1,000
Actelion Luxembourg SARL	Luxembourg	Luxembourg	100%	Full	Financing	EUR 12,500
Actelion Participation GmbH	Switzerland	Allschwil	100%	Full	Financing	CHF 20,000
Actelion Pharmaceuticals Israel Ltd.	Israel	Ramat-Gan	100%	Full	Development	NIS 100

#### 3. Share Capital

At December 31, 2004, the issued share capital amounts to CHF 55,524,883 consisting of 22,209,953 common shares (including 11,550 treasury shares) with a nominal value of CHF 2.50 each. The shares are registered and fully paid-up. Each share is entitled to one vote.

#### 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, 2004 the Company has conditional capital of CHF 18.0 million.

Movements in conditional capital are as follows:

<b>January 1, 2003</b>	<b>12,200</b>
Creation of conditional capital for employee stock option plans	625
Exercise of options	(937)
<b>December 31, 2003</b>	<b>11,888</b>
Creation of conditional capital for employee stock option plans	7,250
Exercise of options	(1,147)
<b>December 31, 2004</b>	<b>17,991</b>

#### 5. Authorized Capital

The Annual General Meeting of April 30, 2004 authorized an increase in share capital to be used for strategic purposes. The Board of Directors is authorized to increase until April 30, 2006 the share capital to an amount of not more than CHF 10 million by issuance of not more than 4 million fully paid-in registered shares with a nominal value of CHF 2.50 per share.

#### 8. Significant Shareholders

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

Name	2004		2003	
	Percentage of share capital	Percentage of voting rights	Percentage of share capital	Percentage of voting rights
Management & Directors*	11.5	11.5	**11.8	**11.8
Rudolf Maag	6.0	6.0	6.7	6.7
Chase Nominees Ltd	10.5	5.0	9.6	5.0
Biotech Invest SA	8.3	8.3	8.7	8.7
Fidelity Management & Research Co.	***>5	5.0	7.4	5.0
Fidelity International Ltd.	***>5	5.0	7.5	5.0

\* No individual has a holding exceeding 5%.

\*\* Total excluding Rudolf Maag

\*\*\* Exact holdings are not disclosed and are not registered.

#### 9. Proposed Appropriation of Available Earnings

	2004	2003
Retained earnings at beginning of the year	3,594	(3,171)
Net income (loss) for the year	(3,196)	6,765
<b>Total available earnings carried forward</b>	<b>398</b>	<b>3,594</b>
<b>Balance to be carried forward</b>	<b>398</b>	<b>3,594</b>

#### 6. Treasury Shares

At December 31, 2004 the Group held 11,550 treasury shares, which were acquired at an average price of CHF 75.41. During 2004, members of the board of directors received 1,950 bonus shares out of the Group's treasury stock.

#### 7. Guarantees

On December 5, 2003 Actelion Ltd has issued a first demand guarantee of up to EUR 1,100,000 to Deutsche Bank for their credit facility with Actelion Pharmaceuticals Germany GmbH.

On January 24, 2004 Actelion Ltd has issued a stand-by letter of credit of JPY 90,000,000 for securing the rent obligations of Actelion Pharmaceuticals Japan Ltd.

In 2004 Actelion Ltd entered into three other guarantee agreements in the total amount of CHF 181,571.

In October 2003, Actelion Finance SCA issued a CHF 143.8 million convertible bond (the "Bond"). Under the guarantee agreement signed on October 15, 2003, Actelion Ltd unconditionally guarantees the due payment of the amounts payable by Actelion Finance SCA pursuant to the terms of the Bond, or, upon conversion of the bonds, the due delivery of the shares and/or cash payment for fractions.