

**ACTELION LTD AND SUBSIDIARIES**

**CONSOLIDATED US GAAP FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2007**

**Unaudited**

Contents:

CONSOLIDATED INCOME STATEMENTS  
CONSOLIDATED BALANCE SHEETS  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

**ACTELION LTD AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
<i>(in CHF thousands, except per share amounts)</i>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Net revenue:</b>				
Products sales	314,503	240,351	927,197	669,817
Contract revenue	5,595	6,829	19,252	14,462
<b>Total net revenue</b>	<b>320,098</b>	<b>247,180</b>	<b>946,449</b>	<b>684,279</b>
<b>Operating expenses (1)</b>				
Cost of sales	34,537	23,420	98,388	66,558
Research and development	74,817	54,081	210,012	155,071
Marketing and advertising	52,320	43,509	164,585	129,404
Selling, general and administration	61,716	48,553	192,421	133,210
Amortization of acquired intangible assets	5,483	1,116	15,794	3,188
Write-off of acquired in-process research and development	-	-	224,820	68
<b>Total operating expense</b>	<b>228,873</b>	<b>170,679</b>	<b>906,020</b>	<b>487,499</b>
<b>Operating income</b>	<b>91,225</b>	<b>76,501</b>	<b>40,429</b>	<b>196,780</b>
Interest income	4,490	2,105	13,863	4,628
Interest expense	(62)	(24)	(92)	(51)
Amortization of debt discount and issuance costs	(408)	(2,075)	(3,678)	(6,146)
Other financial income (expense), net	1,205	363	11,445	6,560
<b>Income before income tax expense</b>	<b>96,450</b>	<b>76,870</b>	<b>61,967</b>	<b>201,771</b>
Income tax expense	(7,364)	(10,066)	(25,834)	(29,979)
<b>Net income</b>	<b>89,086</b>	<b>66,804</b>	<b>36,133</b>	<b>171,792</b>
<b>Basic net income per share</b>	<b>0.75</b>	<b>0.59</b>	<b>0.31</b>	<b>1.52</b>
Number of shares (in thousands) used in computation	118,346	113,332	118,190	113,019
<b>Diluted net income per share</b>	<b>0.70</b>	<b>0.57</b>	<b>0.29</b>	<b>1.47</b>
Number of shares and share options (in thousands) used in computation	126,428	121,111	125,150	120,725
<b>(1) Includes employee stock option costs as follows:</b>				
Research and development	5,916	3,160	18,550	8,471
Marketing and advertising	3,969	2,359	12,847	6,934
Selling, general and administration	5,932	3,068	21,812	9,492
<b>Total stock-based compensation</b>	<b>15,817</b>	<b>8,587</b>	<b>53,209</b>	<b>24,897</b>

**ACTELION LTD AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS**

<i>(in CHF thousands, except share amounts)</i>	<b>September 30, 2007</b>	<b>December 31, 2006</b>
	<u>          </u>	<u>          </u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	293,211	926,137
Short term deposits	448,615	189,098
Derivative instruments	1,009	3,667
Marketable securities	-	29,750
Trade and other receivables, net	318,792	217,376
Inventories	43,173	24,320
Other current assets	27,910	27,635
Deferred tax asset, current portion	8,581	4,518
<b>Total current assets</b>	<b><u>1,141,291</u></b>	<b><u>1,422,501</u></b>
Property, plant and equipment, net	107,237	81,970
Other assets	10,678	11,486
Intangible assets, net	195,284	19,159
Goodwill, net	119,260	27,385
Deferred tax asset	22,638	15,669
<b>Total assets</b>	<b><u>1,596,388</u></b>	<b><u>1,578,170</u></b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Trade and other payables	82,406	67,297
Accrued expenses	174,501	130,894
Deferred revenue, current portion	22,713	27,314
Other current liabilities	922	1,649
Short-term financial debt	460,000	626,832
<b>Total current liabilities</b>	<b><u>740,542</u></b>	<b><u>853,986</u></b>
Deferred revenue, less current portion	106,571	120,890
Other non-current liabilities	4,720	4,395
Pension liability	19,835	19,835
Deferred tax liability	67,004	932
<b>Total liabilities</b>	<b><u>938,672</u></b>	<b><u>1,000,038</u></b>
<b>Shareholders' Equity</b>		
Common shares (par value CHF 0.50 per share, authorized 213,853,275 and 207,033,200 shares; issued 121,629,392 and 114,779,420 shares in 2007 and 2006 respectively)	60,815	57,390
Additional paid-in capital	668,412	394,090
Accumulated profit	192,754	156,621
Treasury shares, at cost	(230,627)	(11,118)
Accumulated other comprehensive income	(33,638)	(18,851)
<b>Total Shareholders' Equity</b>	<b><u>657,716</u></b>	<b><u>578,132</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>1,596,388</u></b>	<b><u>1,578,170</u></b>

**ACTELION LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(in CHF thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
<b>Cash flow from operating activities</b>				
Net income	89,086	66,804	36,133	171,792
Adjustments to reconcile net income to net cash provided from operating activities:				
Depreciation and amortization	10,956	5,205	30,525	14,261
Stock-based compensation	15,817	8,645	53,716	24,993
Excess tax benefits from share based payment arrangements	(1,159)	(1,170)	(6,384)	(1,751)
(Gains) Losses on derivative instruments	(1,901)	(1,597)	2,172	(4,656)
(Gains) Losses on marketable securities	-	-	(759)	-
Write-off of acquired in-process research and development	-	-	224,820	68
Amortization of debt discount and expense	408	2,075	3,678	6,146
Trade and other receivables	(19,714)	(19,833)	(86,256)	(65,355)
Inventories	(1,137)	(415)	(7,647)	2,089
Other current assets	1,403	2,480	(4,145)	(4,142)
Other assets	(6,465)	(2,403)	(5,963)	(1,655)
Trade and other payables	2,514	6,520	15,999	3,093
Accrued expenses	20,599	22,555	25,148	30,654
Deferred revenue	(5,525)	94,733	(19,117)	87,367
Other liabilities	(1,647)	9,427	(4,868)	7,571
Changes in other operating cash flow items	74	(2,065)	(4,465)	(1,817)
<b>Net cash flow provided by operating activities</b>	<b>103,309</b>	<b>190,961</b>	<b>252,587</b>	<b>268,658</b>
<b>Cash flow from investing activities</b>				
Purchase of short-term deposits	(443,721)	(56,698)	(576,516)	(238,098)
Withdrawal of short-term deposits	4,372	76,000	316,857	251,900
Purchase of property, plant and equipment	(15,509)	(11,042)	(42,237)	(28,386)
Purchase of marketable securities	-	-	-	(20,000)
Proceeds from sale of marketable securities	-	-	109,125	-
Purchase of derivative instruments	-	(625)	(505)	(1,002)
Proceeds from sale of derivative instruments	-	625	505	1,002
Purchase of intangible assets	(1,882)	(2,089)	(5,014)	(10,484)
Increase of investment	-	-	(2,785)	-
Acquisition of subsidiary	-	-	(520,271)	-
<b>Net cash flow provided by (used in) investing activities</b>	<b>(456,740)</b>	<b>6,171</b>	<b>(720,841)</b>	<b>(45,068)</b>
<b>Cash flow from financing activities</b>				
Payments on capital leases	(62)	(83)	(186)	(166)
Debt issuance cost	-	-	(260)	-
Expense from bond conversion	-	-	(2,213)	-
Proceeds from exercise of stock options, net of expense	18,413	8,292	52,294	13,267
Purchase of treasury shares	(126,044)	-	(219,650)	-
Excess tax benefits from share based payment arrangements	1,159	1,170	6,384	1,751
<b>Net cash flow provided by (used in) financing activities</b>	<b>(106,534)</b>	<b>9,379</b>	<b>(163,631)</b>	<b>14,852</b>
Net effect of exchange rates on cash and cash equivalents	(3,004)	983	(1,041)	(1,002)
<b>Net change in cash and cash equivalents</b>	<b>(462,969)</b>	<b>207,494</b>	<b>(632,926)</b>	<b>237,440</b>
Cash and cash equivalents at beginning of period	756,180	167,964	926,137	138,018
<b>Cash and cash equivalents at end of period</b>	<b>293,211</b>	<b>375,458</b>	<b>293,211</b>	<b>375,458</b>

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

*(in CHF thousands, except share amounts)*

	Common Shares		Additional	Accumulated	Treasury	Other	Shareholders'
	Shares	Amount	Paid-in-Capital	Profit	Shares	Comprehensive Income (Loss)	Equity
<b>At January 1, 2007</b>	<b>114,500,935</b>	<b>57,390</b>	<b>394,090</b>	<b>156,621</b>	<b>(11,118)</b>	<b>(18,851)</b>	<b>578,132</b>
Comprehensive income net of tax effect:							
Net income				36,133			36,133
Other comprehensive result:							-
Currency translation adjustment						(14,857)	(14,857)
Unrealized gain on marketable securities						70	70
Comprehensive Income							<u>21,346</u>
Excess tax benefit from share-based payment			6,204				6,204
Exercise of stock options	2,164,632	1,082	51,212				52,294
Equity increase from debt conversion	4,685,340	2,343	163,330				165,673
Transactions in treasury shares	(3,662,025)		367		(219,509)		(219,142)
Stock-based compensation expense, net			53,209				53,209
<b>At September 30, 2007</b>	<b>117,688,882</b>	<b>60,815</b>	<b>668,412</b>	<b>192,754</b>	<b>(230,627)</b>	<b>(33,638)</b>	<b>657,716</b>