

**ACTELION LTD**

**CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 2002**

**Not audited**

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November 5, 2002

**ACTELION LTD**  
**CONSOLIDATED INCOME STATEMENT**  
[in thousands of CHF except per share data]

|   | Three Months Ended<br>September 30, |                 | Nine Months Ended<br>September 30, |                 |
|---|-------------------------------------|-----------------|------------------------------------|-----------------|
|   | 2002                                | 2001*           | 2002                               | 2001*           |
| Sales   | 38,009                              | 2,239           | 79,777                             | 3,673           |
| Cost of sales                                       | 5,142                               | 1,497           | 11,832                             | 2,643           |
| Gross profit  | 32,867                              | 743             | 67,945                             | 1,029           |
| Other operating income                              | 1,369                               | 17,275          | 10,658                             | 44,668          |
| <i>Operating expenses</i>                           |                                     |                 |                                    |                 |
| Research and development                            | 15,217                              | 18,407          | 44,171                             | 57,406          |
| Marketing and sales                                 | 22,262                              | 8,082           | 57,092                             | 19,647          |
| Management and general                              | 7,437                               | 3,666           | 17,702                             | 11,874          |
| Total operating expenses                            | 44,915                              | 30,155          | 118,965                            | 88,927          |
| <b>Operating loss</b>                               | <b>(10,680)</b>                     | <b>(12,137)</b> | <b>(40,362)</b>                    | <b>(43,229)</b> |
| Financial income, net                               | (137)                               | (7,192)         | (4,613)                            | 1,940           |
| <b>Net loss before taxes and minority interests</b> | <b>(10,817)</b>                     | <b>(19,329)</b> | <b>(44,975)</b>                    | <b>(41,289)</b> |
| Income tax benefit                                  | 346                                 | 1,957           | 4,066                              | 5,624           |
| <b>Net loss before minority interests</b>           | <b>(10,471)</b>                     | <b>(17,373)</b> | <b>(40,910)</b>                    | <b>(35,665)</b> |
| Net income attributable to minority shareholders    | (265)                               | 52              | 754                                | (654)           |
| <b>Net loss Actelion Ltd</b>                        | <b>(10,735)</b>                     | <b>(17,321)</b> | <b>(40,156)</b>                    | <b>(36,319)</b> |
| <b>Basic loss per share</b>                         | <b>(0.50)</b>                       | <b>(0.82)</b>   | <b>(1.89)</b>                      | <b>(1.78)</b>   |
| Number of shares used in computation                | 21,316                              | 21,069          | 21,262                             | 20,385          |

\*Restated due to sales of services and change in accounting policy for patents and trademarks

Footing differences due to rounding

**ACTELION LTD**  
**CONSOLIDATED BALANCE SHEET**  
[in thousands of CHF]

|                                      | <b>September 30,<br/>2002</b> | <b>December 31,<br/>2001</b> |
|--------------------------------------|-------------------------------|------------------------------|
|                                      | <u>                    </u>   | <u>                    </u>  |
| <b>ASSETS</b>                        |                               |                              |
| <b>NON CURRENT ASSETS</b>            |                               |                              |
| Property, plant and equipment        | 27,465                        | 16,037                       |
| Investment                           | 2,204                         | 1,700                        |
| Goodwill and other intangible assets | 13,371                        | 9,693                        |
| Other assets                         | 2,933                         | 3,080                        |
| Deferred tax asset                   | 28,896                        | 25,776                       |
| Total non current assets             | <u>74,869</u>                 | <u>56,286</u>                |
| <b>CURRENT ASSETS</b>                |                               |                              |
| Inventories                          | 12,978                        | 6,246                        |
| Accounts receivable                  | 17,565                        | 11,338                       |
| Other current assets                 | 2,642                         | 2,240                        |
| Marketable securities                | 5,861                         | 65,178                       |
| Cash and cash equivalents            | 87,999                        | 87,013                       |
| Total current assets                 | <u>127,045</u>                | <u>172,015</u>               |
| <b>TOTAL ASSETS</b>                  | <b><u>201,913</u></b>         | <b><u>228,300</u></b>        |
| <b>EQUITY AND LIABILITIES</b>        |                               |                              |
| <b>SHAREHOLDERS' EQUITY</b>          |                               |                              |
| Share capital                        | 53,350                        | 52,837                       |
| Share premium and other reserves     | 257,093                       | 258,778                      |
| Accumulated loss                     | (155,459)                     | (115,303)                    |
| Total shareholders' equity           | <u>154,984</u>                | <u>196,312</u>               |
| Minority interest                    | 456                           | 1,210                        |
| <b>NON CURRENT LIABILITIES</b>       |                               |                              |
| Financial debts                      | 7,665                         | -                            |
| Other non current liabilities        | 176                           | 188                          |
| Capital leases, less current portion | 61                            | 534                          |
| Total non current liabilities        | <u>7,901</u>                  | <u>722</u>                   |
| <b>CURRENT LIABILITIES</b>           |                               |                              |
| Deferred income                      | 1,971                         | 9,026                        |
| Trade and other payables             | 19,573                        | 12,222                       |
| Accrued expenses                     | 16,380                        | 8,073                        |
| Current portion of capital leases    | 649                           | 737                          |
| Total current liabilities            | <u>38,573</u>                 | <u>30,058</u>                |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b><u>201,913</u></b>         | <b><u>228,300</u></b>        |

**ACTELION LTD**  
**CONSOLIDATED CASH FLOW STATEMENT**  
[in thousands of CHF]

|  | <b>Three Months Ended</b> |                 | <b>Nine Months Ended</b> |                 |
|--|---------------------------|-----------------|--------------------------|-----------------|
|  | <b>September 30,</b>      |                 | <b>September 30,</b>     |                 |
|  | <b>2002</b>               | <b>2001</b>     | <b>2002</b>              | <b>2001</b>     |
| <b>OPERATING ACTIVITY</b>                        |                           |                 |                          |                 |
| Net loss   | (10,735)                  | (17,321)        | (40,156)                 | (36,319)        |
| Adjustments to reconcile net loss to net cash    |                           |                 |                          |                 |
| Change in minority interest                      | 265                       | (52)            | (754)                    | 654             |
| Cumulative translation adjustment                | 88                        | (965)           | (1,238)                  | (618)           |
| Deferred tax variation                           | (238)                     | (2,160)         | (3,120)                  | (6,014)         |
| Depreciation and amortization                    | 2,021                     | 1,117           | 5,135                    | 3,283           |
| Provisions                                       | -                         | 42              | -                        | (186)           |
| Changes in non current liabilities               | 1                         | 60              | (12)                     | (9)             |
| Changes in the composition of working capital    |                           |                 |                          |                 |
| Increase/(decrease) in current liabilities       | 11,161                    | (11,542)        | 8,603                    | (37,777)        |
| Decrease/(increase) in current assets            | (6,860)                   | (2,821)         | (13,361)                 | 47,176          |
| <b>Net cash provided by operations</b>           | <b>(4,299)</b>            | <b>(33,643)</b> | <b>(44,902)</b>          | <b>(29,811)</b> |
| <b>INVESTING ACTIVITIES</b>                      |                           |                 |                          |                 |
| Increase in investments                          | -                         | -               | (504)                    | (750)           |
| Purchase of property, plant and equipment        | (3,376)                   | (1,564)         | (15,511)                 | (6,099)         |
| Purchase of intangibles                          | (99)                      | (1,018)         | (4,818)                  | (1,232)         |
| Acquisition of subsidiary                        | -                         | 54              |                          | (2,273)         |
| Marketable securities                            | 3,619                     | 3,521           | 59,317                   | 6,041           |
| Deposits and others                              | (61)                      | 255             | 147                      | (606)           |
| <b>Net cash used in investing activity</b>       | <b>83</b>                 | <b>1,248</b>    | <b>38,631</b>            | <b>(4,919)</b>  |
| <b>FINANCING ACTIVITIES</b>                      |                           |                 |                          |                 |
| Net payments on capital leases                   | (111)                     | (373)           | (474)                    | (1,041)         |
| Financial debt                                   | 645                       | -               | 7,665                    |                 |
| Transactions in treasury shares                  | -                         | (1,058)         | (963)                    | (1,058)         |
| Issuance of shares, net of formation expenses    | 79                        | 137             | 1,029                    | 4,092           |
| <b>Total cash provided by financing activity</b> | <b>613</b>                | <b>(1,294)</b>  | <b>7,256</b>             | <b>1,992</b>    |
| <b>Net change in cash position</b>               | <b>(3,603)</b>            | <b>(33,688)</b> | <b>986</b>               | <b>(32,738)</b> |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b> |                           |                 |                          |                 |
|  |                           | -               |                          |                 |
| Cash and equivalents, beginning of period        | 91,602                    | 157,275         | 87,013                   | 156,324         |
| Cash and equivalents, end of period              | 87,999                    | 123,586         | 87,999                   | 123,586         |

Footnote differences due to rounding

**ACTELION LTD**  
**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**  
[in thousands of CHF except share data]

|  | Number of Shares  | Capital Account |                  |                          | Cumulative<br>Translation<br>Adjustments | Accumulated<br>Loss | Total<br>Shareholders'<br>Equity |
|--|-------------------|-----------------|------------------|--------------------------|--|---------------------|----------------------------------|
|  | Common            | Share Capital   | Share<br>Premium | Total Capital<br>Paid In |  |                     |                                  |
| <b>At December 31, 2000</b>              | <b>19,470,760</b> | <b>48,677</b>   | <b>258,853</b>   | <b>307,530</b>           | <b>(256)</b>                             | <b>(60,730)</b>     | <b>246,544</b>                   |
| Exercise of stock options and<br>warrant | 1,664,100         | 4,160           | (158)            | 4,002                    |  |                     | 4,002                            |
| Loss for the period                      |                   |                 |                  |                          |  | (54,573)            | (54,573)                         |
| Transactions in treasury shares          |                   |                 | 137              | 137                      |  |                     | 137                              |
| Translation adjustments                  |                   |                 |                  |                          | 201                                      |                     | 201                              |
| <b>At December 31, 2001</b>              | <b>21,134,860</b> | <b>52,837</b>   | <b>258,832</b>   | <b>311,669</b>           | <b>(55)</b>                              | <b>(115,303)</b>    | <b>196,312</b>                   |
| Exercise of stock options                | 205,259           | 513             | 516              | 1,029                    |  |                     | 1,029                            |
| Loss for the period                      |                   |                 |                  |                          |  | (40,156)            | (40,156)                         |
| Transactions in treasury shares          | (13,500)          |                 | (963)            | (963)                    |  |                     | (963)                            |
| Translation adjustments                  |                   |                 |                  |                          | (1,238)                                  |                     | (1,238)                          |
| <b>At September 30, 2002</b>             | <b>21,326,619</b> | <b>53,350</b>   | <b>258,385</b>   | <b>311,735</b>           | <b>(1,292)</b>                           | <b>(155,459)</b>    | <b>154,984</b>                   |

Footnote differences due to rounding