

ACTELION LTD

CONSOLIDATED FINANCIAL STATEMENTS FOR DECEMBER 2002

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February 18, 2003

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2002	2001	2002	2001
Sales	49,864	4,579	129,641	8,252
Cost of sales	7,497	1,632	19,329	4,276
Gross profit	42,367	2,947	110,312	3,976
Other operating income	44	11,154	10,702	55,823
<i>Operating expenses</i>				
Research and development	15,636	20,274	59,807	77,680
Marketing and sales	21,793	13,249	78,885	32,896
Management and general	7,684	6,878	25,385	18,752
Total operating expenses	45,113	40,402	164,078	129,329
Operating loss	(2,701)	(26,301)	(43,064)	(69,530)
Financial income, net	(442)	2,712	(5,055)	4,653
Net loss before taxes and minority interests	(3,143)	(23,588)	(48,118)	(64,877)
Income tax benefit	2,153	5,219	6,219	10,843
Net loss before minority interests	(990)	(18,370)	(41,900)	(54,035)
Net income attributable to minority shareholders	394	116	1,148	(538)
Net loss Actelion Ltd	(596)	(18,254)	(40,752)	(54,573)
Basic loss per share	(0.03)	(0.87)	(1.91)	(2.65)
Number of shares used in computation	21,342	21,090	21,282	20,561

Footnote differences due to rounding

ACTELION LTD
CONSOLIDATED BALANCE SHEET
[in thousands of CHF]

	<u>December 31,</u> <u>2002</u>	<u>December 31,</u> <u>2001</u>
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	28,411	16,037
Investment	2,204	1,700
Goodwill and other intangible assets	16,188	9,693
Other assets	3,324	3,080
Deferred tax asset	30,507	25,776
Total non current assets	<u>80,634</u>	<u>56,286</u>
CURRENT ASSETS		
Inventories	13,821	6,246
Accounts receivable	23,949	11,338
Other current assets	3,225	2,240
Marketable securities	14,234	65,178
Cash and cash equivalents	116,401	87,013
Total current assets	<u>171,630</u>	<u>172,015</u>
TOTAL ASSETS	<u>252,264</u>	<u>228,300</u>
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	53,441	52,837
Share premium and other reserves	256,399	258,778
Accumulated loss	(155,575)	(115,303)
Total shareholders' equity	<u>154,265</u>	<u>196,312</u>
Minority interest	670	1,210
NON CURRENT LIABILITIES		
Financial debts	47,460	
Other non current liabilities	234	188
Capital leases, less current portion	102	534
Total non current liabilities	<u>47,795</u>	<u>722</u>
CURRENT LIABILITIES		
Deferred income	2,087	9,026
Borrowings	428	
Trade and other payables	26,153	12,222
Accrued expenses	20,370	8,073
Current portion of capital leases	495	737
Total current liabilities	<u>49,533</u>	<u>30,058</u>
TOTAL EQUITY AND LIABILITIES	<u>252,264</u>	<u>228,300</u>

Footing differences due to rounding

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2002	2001	2002	2001
OPERATING ACTIVITY				
Net loss	(596)	(18,254)	(40,752)	(54,573)
Adjustments to reconcile net loss to net cash				
Change in minority interest	(394)	(116)	(1,148)	538
Deferred tax variation	(2,153)	(5,219)	(6,219)	(10,843)
Loss on sale of marketable securities	22		1,367	
Depreciation and amortization	1,981	1,357	7,117	4,640
Provisions		(192)		(377)
Changes in non current liabilities	58	87	46	77
Changes in the composition of working capital				
Increase/(decrease) in current liabilities	11,099	(3,517)	19,753	(41,698)
Decrease/(increase) in current assets	(7,921)	542	(21,480)	47,113
Net cash provided by operations	2,096	(25,311)	(41,316)	(55,123)
INVESTING ACTIVITIES				
Increase in investments			(504)	(750)
Purchase of property, plant and equipment	(2,386)	(3,180)	(18,006)	(9,279)
Purchase of intangibles	(2,258)	(410)	(7,110)	(1,642)
Acquisition of subsidiary		(61)		(2,335)
Marketable securities	(8,020)	(7,717)	49,952	(1,676)
Deposits and others	(391)	(667)	(245)	(1,273)
Net cash used in investing activity	(13,055)	(12,036)	24,087	(16,954)
FINANCING ACTIVITIES				
Net payments on capital leases	(239)	(332)	(713)	(1,374)
Financial debt	39,795		47,460	
Transactions in treasury shares		1,196	(963)	137
Issuance of shares, net of formation expenses	(118)	(90)	910	4,002
Total cash provided by financing activity	39,437	774	46,694	2,766
Net effect of currency translation on cash	(76)		(76)	
Net change in cash position	28,402	(36,573)	29,388	(69,311)
NET INCREASE IN CASH AND CASH EQUIVALENTS				
Cash and equivalents, beginning of period	87,999	123,586	87,013	156,324
Cash and equivalents, end of period	116,401	87,013	116,401	87,013

Footnote differences due to rounding

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

	Number of Shares		Share Capital	Share Premium	Treasury Shares	Cash Flow Hedge Reserve	Cumulative Translation Adjustments	Accumulated Loss	Total Shareholders' Equity
	Common	Preferred							
At December 31, 1999	2,584,800	11,417,040	35,005	25,354	-	-	5	(22,120)	38,244
Conversion of minority interest (6,33%) into preferred B shares		933,600	2,334						2,334
Conversion of preferred shares into common shares	12,350,640	(12,350,640)							-
Capital increase / IPO	4,000,000		10,000	232,714					242,714
Exercise of stock options and warrants	535,320		1,338	785					2,124
Loss for the period								(38,611)	(38,611)
Translation adjustments							(261)		(261)
At December 31, 2000	19,470,760	-	48,677	258,853	-	-	(256)	(60,730)	246,544
Exercise of stock options and warrant	1,664,100		4,160	(158)					4,002
Transactions in treasury shares					137				137
Loss for the period								(54,573)	(54,573)
Translation adjustments							201		201
At December 31, 2001	21,134,860	-	52,837	258,695	137	-	(55)	(115,303)	196,312
Change in minority interest								480	480
Exercise of stock options	241,699		604	306					910
Fair value adjustment on financial instruments						375			375
Transactions in treasury shares	(13,500)				(963)				(963)
Loss for the period								(40,752)	(40,752)
Translation adjustments							(2,097)		(2,097)
At December 31, 2002	21,363,059	-	53,441	259,001	(826)	375	(2,151)	(155,575)	154,265

Footing differences due to rounding