



## Actelion at a glance

Actelion Ltd, founded in December 1997, is a biopharmaceutical company with corporate headquarters in Allschwil/Basel, Switzerland, that focuses on the discovery, development and commercialization of innovative treatments to serve high unmet medical needs.

Actelion's flagship product, Tracleer<sup>®</sup>, an orally available dual endothelin receptor antagonist, has been approved as a therapy for pulmonary arterial hypertension (PAH), a chronic, life-threatening disorder that severely compromises the functions of the lungs and heart. Ventavis<sup>®</sup>, the only inhalable PAH therapy in the United States, was acquired in 2006. Zavesca<sup>®</sup>, in-licensed from Oxford GlycoSciences, is the only approved oral treatment for type 1 Gaucher disease, a rare debilitating metabolic disorder.

In 2006, Actelion was evaluating 8 compounds in various phases of clinical development and pursuing 25 projects in drug discovery that target cardiovascular, cardiopulmonary, immunological, and infectious diseases, as well as metabolic and central nervous system disorders.

The over 1,200 Actelion employees strive to combine the innovation, entrepreneurial spirit and flexibility of a biotech firm with the financial, risk management, regulatory and commercial discipline of a large pharmaceutical company. Actelion's strategy of maintaining maximum value from scientific innovation is complemented by ongoing alliances with Merck in orally available renin inhibitors for cardiovascular indications and with Roche in S1P<sub>1</sub> agonism in autoimmune disorders.

Actelion has set a rapid pace in achieving commercial success. The first substantial product sales were generated during 2002, followed by a full-year net income in 2004. Actelion posted sales of CHF 945.7 million in 2006. Operating income was CHF 268.2 million and net income CHF 241.1 million.

	2006	2005	2004	2003	2002
<b>Total revenues</b>	945.7	663.6	471.9	307.5	132.4
<b>EBIT</b>	268.2	152.3	85.6	(1.7)	(32.0)
<b>Net profit</b>	241.1	125.5	87.2	(9.9)	(52.1)
<b>EPS non-diluted</b>	10.64	5.62	3.96	(0.46)	(2.45)
<b>Cash from operations</b>	352.8	138.4	91.7	38.3	(35.8)
<b>Net equity</b>	578.1	321.7	158.1	54.4	50.3
<b>Employees (FTE equivalent)</b>	1,252	1,028	854	660	412

CHF million except per share and employee data

Includes discontinued operations

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## Leveraging our unique assets to drive the next cycle of growth



**Robert E. Cawthorn**  
Chairman of the Board

“At Actelion, we are right at the cusp of a new cycle of dynamic growth in our evolution as a global biopharmaceutical company.”

In 2006, we achieved another year of outstanding business results, while simultaneously laying the foundation for future growth with key infrastructure investments, organizational expansion, substantial progress in pivotal clinical trials, a groundbreaking co-development deal and the largest acquisition in our history.

Actelion's net revenue increased 43% over 2005 to a total of CHF 945.7 million, driven by the strong momentum of Tracleer<sup>®</sup> in pulmonary arterial hypertension (PAH). Operating income rose 76% to CHF 268.2 million, and net income increased 92% to CHF 241.1 million.

In just over nine years of existence as a company, we have succeeded in launching two breakthrough therapies that are improving the lives of patients around the world. Our flagship product, Tracleer<sup>®</sup>, is on track to exceed one billion Swiss francs in sales by the end of 2007 – two years ahead of schedule. That is a truly remarkable achievement. Zavesca<sup>®</sup>, our innovative oral therapy for rare lipid storage diseases, posted sales of CHF 25.4 million in 2006 – almost doubling compared to 2005.

### **Acquisition of CoTherix, co-development agreement with Roche**

In November 2006, we took the important step of acquiring the US-based biopharmaceutical company CoTherix, Inc. for USD 389 million – the largest acquisition in our history. The excellent product fit will strengthen our leadership position in pulmonary arterial hypertension (PAH). Ventavis<sup>®</sup> (iloprost), previously marketed by CoTherix, is the only approved inhalable PAH therapy in the United States. Actelion expects Ventavis<sup>®</sup> sales to make a substantial contribution to product revenues in 2007.

Another highlight of 2006 was an exclusive agreement with the global pharmaceutical company Roche to co-develop and commercialize our S1P<sub>1</sub> agonist, a novel immunomodulator with possible application in a number of diseases and the potential for once-a-day oral dosing. This agreement resulted in an upfront payment of USD 75 million to Actelion in 2006, and foresees additional payments of up to USD 555 million for the first compound as well as payments for further compounds. Actelion and Roche will share equally the costs of later-stage development and marketing, with future product revenues shared equally as well. In addition, Actelion will receive royalties on marketed products.

### **State-of-the-art R&D infrastructure, global reach in Marketing and Sales**

In addition to acquisitions and agreements, Actelion is driving growth by making the most of our unique assets. In 2006, we moved into a customized, state-of-the-art Research Center at our headquarters in Allschwil that will facilitate drug discovery. At the beginning of 2007, we completed our new Clinical Development Center, where we are managing the ongoing trials that will generate our next wave of innovative products.

For a company our size, it is unique to have a successful Marketing and Sales organization with global reach. This has been an integral part of our company strategy from the beginning in order to retain maximum value from our products. Our agreement with Roche illustrates the value of that strategy by allowing us to co-market, on an equal footing, products developed from our S1P<sub>1</sub> agonist.

Another key asset of Actelion is financial independence. As a profitable company with a strong cash-generating ability, we are masters of our own destiny. We can and must pursue those projects that we believe have the most scientific merit and impact on patients' quality of life. That philosophy is reflected in our passion for drug discovery and provides the base from which we turn innovation into value.

#### **One of the strongest pipelines in the biopharmaceutical industry**

In 2007, Actelion is aiming to pursue five Phase III clinical trials simultaneously. Our current growth engine, Tracleer<sup>®</sup>, is about to start Phase III trials in idiopathic pulmonary fibrosis – an indication that could double our current sales. Actelion-1, a potential successor drug to Tracleer<sup>®</sup> with many times its potency, is about to go into Phase III in the enlarged indication of pulmonary hypertension. Our orexin receptor antagonist, which is scheduled to enter Phase III in late 2007, has the potential to completely transform the treatment paradigm in sleep-related disorders. Our endothelin receptor antagonist clazosentan achieved the primary endpoint of reducing cerebral vasospasm in patients with aneurismal subarachnoid hemorrhage, and we are now in discussions with the FDA on the methodology of a Phase III trial. Finally, we are planning to begin Phase III trials with tezosentan in patients undergoing cardiac surgery. Looking at the enormous potential of our late-stage compounds as well as earlier-stage projects such as our alliance with Merck to develop renin inhibitors and our collaboration with Roche in S1P<sub>1</sub> agonism, it is easy to understand why Actelion's R&D pipeline is the envy of companies many times our size.

#### **SOX compliance is a milestone in world-class financial standards**

In 2006, Actelion reached another important milestone in its efforts to build a world-class biopharmaceutical company: compliance with the rules and regulations of the US Sarbanes-Oxley Act of 2002, Section 404, better known as SOX.

We have undertaken this effort on a voluntary basis, as only companies listed at US stock exchanges are required to be SOX-compliant. This is an important sign to the international investment community that we are committed to adhering to the most demanding financial and corporate governance controls that exist today.

#### **Actelion's Strategic Plan makes our vision transparent and actionable**

At Actelion, we are right at the cusp of a new cycle of dynamic growth in our evolution as a global biopharmaceutical company. The key to our continued success lies in the creativity, energy and dedication of our people.

In 2006, we not only continued to implement the initiatives outlined in our Strategic Plan, but we also undertook a company-wide effort to ensure that all employees fully understand the key initiatives and priorities as well as the demands and rewards of such a growth strategy. By aligning the whole company behind our core values – innovation, results-driven behavior, open communication, and trust and teamwork – the talents of our people will be transformed into scientific innovation and business results.



Robert E. Cawthorn  
Chairman of the Board

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