



ANNUAL
REPORT
2010

INSPIRING THE FUTURE.



**DOCKET
ALARM**

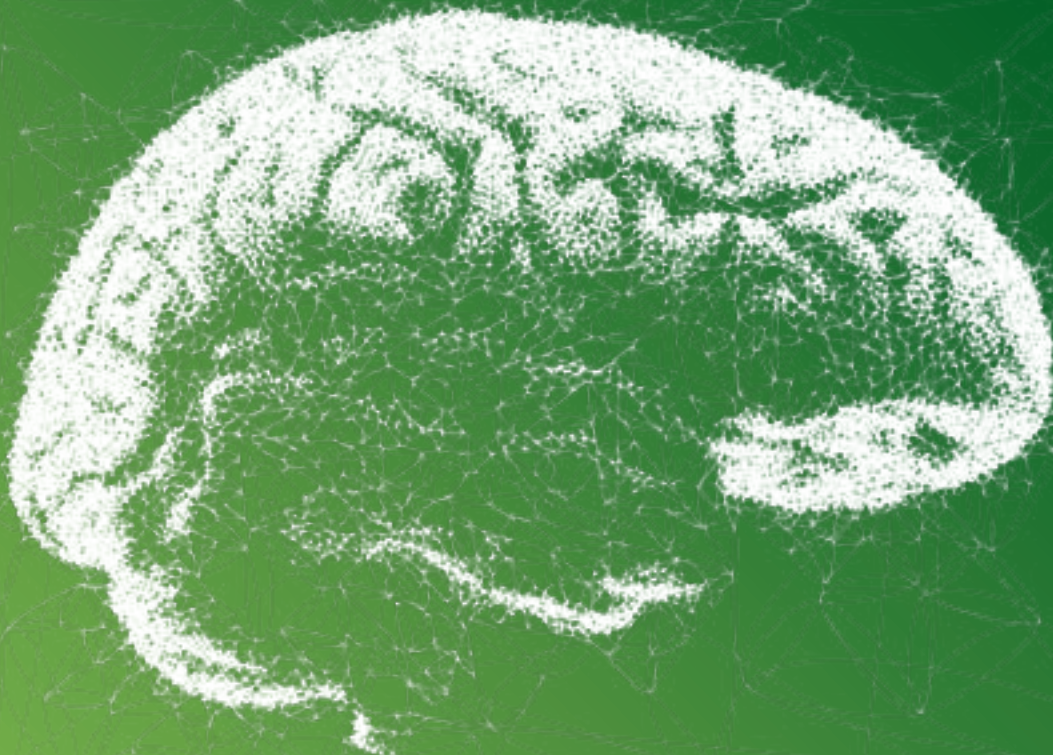
Find authenticated court documents without watermarks at docketalarm.com.

ANNUAL REPORT 2010

TRANSFORMING RESEARCH INTO REALITY.

ACTELION TODAY

Actelion is a team of more than 2,400 professionals. We come to work each day to change someone's life. Our freedom to create generates inspirational medicines. Together we are defining our long-term future with the discoveries of today.



CONTENTS
ACTELION
ANNUAL REPORT 2010

ACTELION
TODAY

02

- 02 Milestones 2010
 - 05 Letter to the Shareholders
 - 08 Financial Summary
 - 12 Creating Long-Term Value
-

BUSINESS STRATEGY
AND OPERATIONS

18

- 19 Delivering on a Global Scale
 - 20 Actelion's Products in the Marketplace
 - 22 The Products
 - 24 Leadership in PAH
-

RESEARCH AND
DEVELOPMENT

28

- 29 Driven by Science
 - 32 Pipeline Progress
 - 34 The Pipeline
 - 36 Maximize the Value of Innovation
-

CORPORATE
GOVERNANCE

40

- 41 Group Structure & Shareholders
 - 44 Board of Directors
 - 50 Management Board
 - 53 Compensation, Shareholdings & Loans
 - 55 Shareholders' Participation Rights
 - 55 Changes of Control & Defense Measures
 - 55 Auditors
 - 56 Information Policy
 - 57 Further Information
-

CORPORATE SOCIAL
RESPONSIBILITY

58

- 59 Discovering Medicines Responsibly
 - 60 Reaching for the Highest Standards
 - 60 Environment
 - 60 Access to Medicines
 - 61 Our work in Communities
 - 61 Research Ethics
 - 61 Clinical Trial Registry & Results Database
-

FINANCIAL
REPORT

62

- 64 Consolidated Financial Statements
 - 68 Notes to Consolidated Financial Statements
 - 97 Report of Actelion Management
 - 98 Auditors' Reports
 - 102 Holding Company Statements
 - 104 Notes to the Financial Statements 2010
 - 114 Auditors' Report
 - 116 Contacts
-

MILESTONES

STRONG REVENUE GROWTH

Total net revenues of CHF 1,929.0 million, an increase of 13% in local currencies as compared to 2009 due to growing product sales.

MANAGING THE BOTTOM LINE

Non-GAAP EBIT of CHF 619.3 million, an increase of 19% in local currencies as compared to 2009 – a result of strong revenue growth and continued commitment to managing the bottom line.

ENHANCING EARNINGS PER SHARE

The Board of Directors has authorized the repurchase of up to CHF 800 million of the company's common stock over the next three years, enhancing EPS growth without sacrificing strategic flexibility.

TRACLEER – GOLD STANDARD IN PAH

Treating pulmonary arterial hypertension with the target of improving symptoms to, or maintaining patients at, Functional Class II.

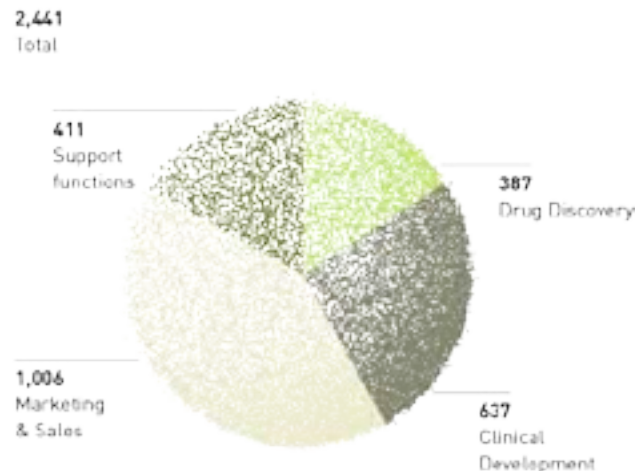
TRACLEER – CHANGING LIVES

Actelion's flagship product is currently being used to treat over 40,000 patients.

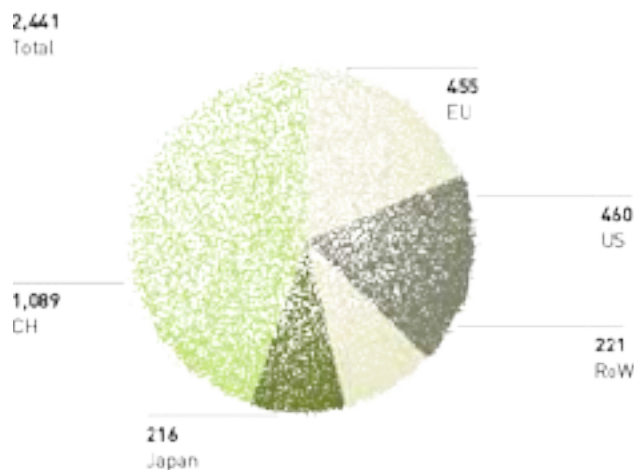
VELETRI – NEW PRODUCT LAUNCH

Actelion's fourth product – Veletri, an improved formulation of i.v. epoprostenol – has been launched in the US for the treatment of PAH. Room temperature stability, at most commonly used concentrations, eliminates the need for ice packs.

EMPLOYEES PER FUNCTION



EMPLOYEES PER REGION



VENTAVIS – IMPROVED CONVENIENCE

More than 70% of Ventavis patients in the US are using the increased strength 20mcg/ml formulation launched in the second half of 2009.

MACITENTAN – AHEAD OF SCHEDULE

Early completion of enrollment into the large Phase III morbidity/mortality study in PAH could result in data availability early in 2012.

SELEXIPAG – PRESENTED AT ATS

Phase II results with selexipag, currently enrolling patients into a large Phase III study in PAH, were presented at the American Thoracic Society (ATS) 2010 International Conference.

OPTION TO ACQUIRE TROPHOS

Actelion entered into a binding agreement with Trophos SA, thereby integrating the potential of a late-stage Phase III compound into Actelion’s pipeline. Olesoxime is currently being investigated in amyotrophic lateral sclerosis and is expected to report data in late 2011.

ADVANCING EARLY-STAGE PIPELINE

In total, dose-finding studies for five compounds were initiated in 2010, broadening Actelion’s commitment to multiple therapeutic areas.

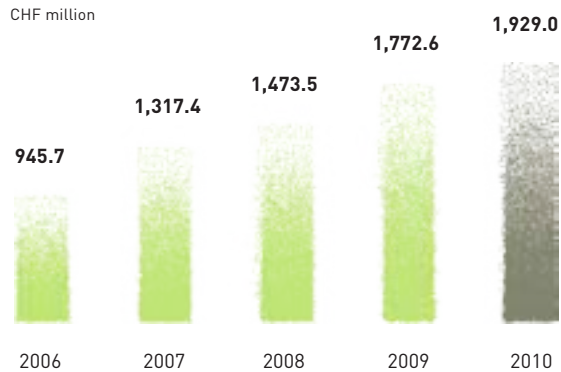
MULTIPLE FUTURE OPPORTUNITES

By the end of 2010, Actelion was analyzing six compounds in preclinical development, with around 25 further projects in the drug discovery phase.

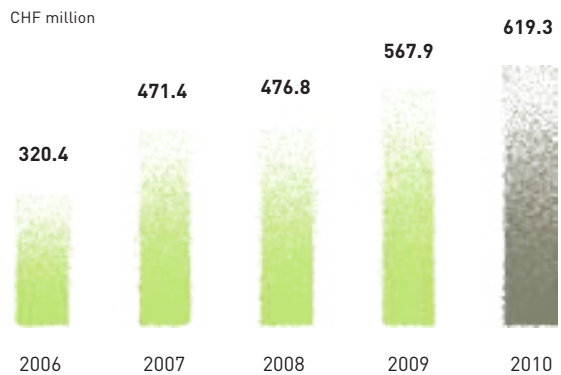
CORPORATION OF THE YEAR

The Pulmonary Hypertension Association named Actelion the 2010 Corporation of the Year, making Actelion the first company to receive this award twice and demonstrating our ongoing commitment to improving the care of patients.

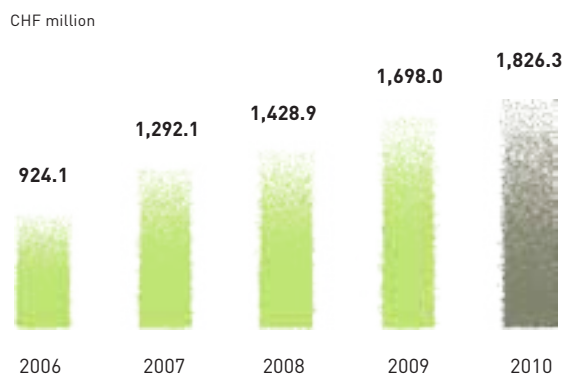
TOTAL NET REVENUES



NON-GAAP EBIT



TOTAL PRODUCT SALES



Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.