FINANCIAL REPORT.

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ACTELION

Actelion Ltd. is a leading biopharmaceutical company focused on the discovery, development and commercialization of innovative drugs for diseases with significant unmet medical needs.

Actelion is a leader in the field of pulmonary arterial hypertension (PAH). Our portfolio of PAH treatments covers the spectrum of disease, from WHO Functional Class (FC) II through to FC IV, with oral, inhaled and intravenous medications. Although not available in all countries, Actelion has treatments approved by health authorities for a number of specialist diseases including Type 1 Gaucher disease, Niemann-Pick type C disease, Digital Ulcers in patients suffering from systemic sclerosis, and mycosis fungoides type cutaneous T-cell lymphoma.

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Actelion ensures financial integrity by complying with all applicable laws and accounting standards, using the highest internal standards and proper reporting of Actelion's results.

For the ninth consecutive year the Company's internal controls over financial reporting were certified as meeting the requirements of SOX 404 (Sarbanes-Oxley Act 2002, section 404) at 31 December 2014.

FINANCE IN BRIEF

(in CHF millions, except % variance)	2014	2013	variance CHF %	variance CER %[1]	in % of sales 2014	in % of sales 2013
US GAAP results						
Net revenue	1,958	1,786	10%	12%	100%	100%
Operating results	570	482	18%	24%	29%	27%
Net results	594	453	31%	38%	30%	25%
Diluted EPS	5.11	3.92	30%	37%		
Dividend per share[2]	1.30	1.20				
Core[3] results						
Product sales	1,956	1,784	10%	12%	100%	100%
Operating results	743	619	20%	25%	38%	35%
Net results	648	509	27%	34%	33%	29%
Diluted EPS	5.58	4.41	27%	33%		
Cash flow						
Operating cash flow[4]	616	592				
Capital expenditure	(32)	(258)				
Free cash flow	327	(245)				
Net cash position - unrestricted	970	643				
Net cash position - restricted	-	613				

[1] Constant exchange rates ("CER") constitutes percentage changes calculated by reconsolidating both the 2014 and 2013 results at constant currencies (the average monthly exchange rates for the year 2013).

[2] Dividend proposal by the Board of Directors subject to shareholders' approval.

[3] Actelion continues to measure, report and issue guidance on its core operating performance, which management believes more accurately reflects the underlying business performance. The Group believes that these non-GAAP financial measurements provide useful supplementary information to investors. These non-GAAP measures are reported in addition to, not as a substitute for US GAAP financial performance. A full reconciliation between US GAAP and core results is available on page 21 of this report.

[4] Operating cash flow excluding a litigation settlement.

Actelion in 2014

Actelion delivered a strong operational performance in 2014. Operating income grew almost twice as fast as sales, demonstrating the organization's earnings power, as well as Actelion's commitment to optimize short-term profitability while carefully balancing investment in R&D programs to ensure mid- to long-term growth.

Product Sales

Product sales rose 12% at constant exchange rates (CER) to CHF 1,956 million. Excluding the impact of US rebate reversals, product sales increased by 10% at CER, mainly driven by the strong uptake of Opsumit, the roll-out of Veletri and the solid performance of all other products around the globe – including Tracleer, which is still growing in countries where Opsumit has not yet been launched.

Operating results

Core operating income increased by 25% at CER to CHF 743 million. Excluding the impact of US rebate reversals, core operating income reached CHF 677 million, an increase of 20% at CER. The strong sales performance was supported by increased investment, as the commercial organization launched Opsumit and Valchlor and continued the roll-out of Veletri. R&D expenses increased by 4%, with several exciting early- and late-stage compounds advancing through the pipeline, while G&A expenses remained flat.

US GAAP operating income increased by 24% at CER to CHF 570 million. This was driven by the core operating performance but was impacted by higher amortization expenses relating to the acquisition of Valchlor and by a milestone payment relating to the filing of Selexipag with European and US regulators for marketing authorization.

Net results and EPS

Core net income increased by 34% at CER to CHF 648 million, reflecting the strong operating performance. Core diluted earnings per share (EPS) rose to CHF 5.58.

US GAAP net income increased by 38% at CER to CHF 594 million, driven by the strong operating performance, lower financing costs due to a litigation settlement, and the release of a valuation allowance on deferred tax assets. US GAAP diluted earnings per share rose to CHF 5.11.

Operating cash flow

Operating free cash flow (excluding a litigation settlement of CHF 458 million) amounted to CHF 584 million, driven by the strong operating performance, limited capital expenditure and the absence of acquisitions in 2014.

Free cash flow and cash position

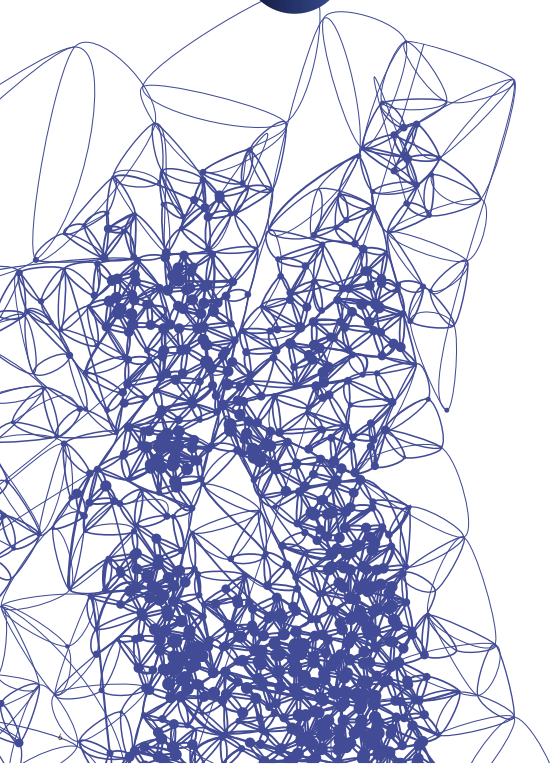
Free cash flow for 2014 amounted to CHF 327 million and the company's net cash position at 31 December 2014 increased to CHF 970 million.

The litigation settlement of CHF 458 million was funded by the release of the bail bond of CHF 609 million. Actelion paid an increased dividend of CHF 133 million and acquired treasury shares for a cash consideration of CHF 546 million in order to manage dilution arising from stock-based compensation. Cash proceeds resulting from employee stock option exercises amounted to CHF 249 million.

Total shareholder return

Actelion's share price rose by 53%, resulting in a total shareholder return (including dividend payment) of 55% in 2014.

FINANCIAL REVIEW



2014 was an outstanding year for Actelion: the company delivered value for shareholders, continued to serve more patients and positioned itself for long-term growth.

In 2012, Actelion made a commitment to return significant capital to shareholders. The company has delivered on that promise, with almost CHF 1.1 billion being returned to shareholders in the form of dividends and share buybacks over the past three years.

In keeping with this commitment, the Board of Directors authorized in principle a new share repurchase program of up to 10 million shares of Actelion's common stock subject to approval by the relevant authorities; this share repurchase program would be carried out via a new second trading line at the SIX Swiss Exchange over a period of three years and the Board will propose the cancelation of these repurchased shares at subsequent Annual General Meetings. The Board of Directors will also propose an increased annual dividend payment of CHF 1.30 for approval by shareholders at the upcoming Annual General Meeting in May.

The share price rose by 53%, resulting in a total shareholder return (including dividend payment) of 55% in 2014. The company's performance reflects strong commercial execution coupled with a continued commitment to operational efficiency.

Product sales rose 12% at CER to CHF 1,956 million. Core earnings increased by 25% to CHF 743 million, while core earnings per share rose 33% to CHF 5.58.

Operating cash flow amounted to CHF 616 million (excluding a litigation settlement of CHF 458 million), reflecting the strong operating performance. Free cash flow reached CHF 327 million, resulting in a net cash position at the end of 2014 of CHF 970 million, ensuring financial flexibility.

The foreign exchange environment in 2014 continued to negatively impact both sales and core operating income: compared to 2013, the average Swiss franc exchange rate in 2014 was stronger against all major currencies, in particular the Japanese yen and the US dollar.

On 15 January 2015, the Swiss National Bank announced that it was discontinuing the minimum exchange rate of CHF 1.20 per euro. This announcement resulted in an immediate appreciation of the Swiss franc against all currencies and a sharp drop in the Swiss stock market. The SNB decision has no impact on the Financial Statements for the full year 2014 since the figures reported do not reflect changes in exchange rates after 31 December 2014. Because Actelion reports and presents its consolidated results in Swiss francs, a persistent weakening of foreign currencies against the Swiss franc would negatively impact Actelion's future sales and core operating results. The currency translation sensitivity of Actelion's consolidated results and gross cash position is presented on pages 14, 15, 18 and 19 of the Financial Review.

Despite this unfavorable foreign exchange environment, Actelion is confident that its long-term strategy, coupled with tight financial oversight, will result in continued shareholder value creation.

SALES

[in CHF millions, except % variance]	2014	2013	variance[1] CHF %	CER %
Product sales				
Opsumit	180	5	nm	nm
Tracleer	1,481	1,532	-3%	-1%
Veletri	64	37	76%	84%
Ventavis	112	110	2%	3%
Valchlor	11	0	nm	nm
Zavesca	103	96	8%	11%
Others	5	4	nm	nm
Total product sales	**1,956**	**1,784**	**10%**	**12%**

[1] nm = not meaningful

Actelion's commercial performance during 2014 was very strong across all regions, with excellent demand for key assets.

In the US, despite unabated competitive pressures, sales increased by 16% at CER, driven by a successful Opsumit launch, price increases across the portfolio and a net impact of CHF 42 million (at CER) in reversals of rebate accruals relating to patient support programs.

European sales increased by 10% at CER, driven by the launches of Opsumit and Veletri in various European markets, as well as the digital ulcer indication for Tracleer, despite a persistently negative pricing environment. Sales in Japan grew by 9%, driven by the strong uptake of Veletri and solid sales for Tracleer.

Sales in the rest of the world increased by 8% at CER, driven by new product launches (Opsumit, Veletri) in Australia and by strong growth in emerging PAH markets such as China, Taiwan, Russia and Mexico.

Comparing average exchange rates in 2014 with average exchange rates during 2013, the Swiss franc was stronger against major currencies, in particular the Japanese yen and the US dollar. The overall impact resulted in a negative currency variance of CHF 51 million.

[in CHF millions, except % variance]	2014	2013	variance CHF %	CER %
Product sales by region				
United States	879	768	14%	16%
Europe	717	660	9%	10%
Japan	185	188	-1%	9%
Rest of the world	175	169	4%	8%
Total product sales	**1,956**	**1,784**	**10%**	**12%**

PAH FRANCHISE

Opsumit®

[in CHF millions, except % variance]	2014	2013	variance CHF %	CER %
Sales by region				
United States	133	5	nm	nm
Europe	42	-	nm	nm
Japan	-	-	nm	nm
Rest of the world	5	-	nm	nm
Total	**180**	**5**	**nm**	**nm**

Sales of Opsumit (macitentan) for 2014 amounted to CHF 180 million, reflecting a highly successful launch in various regions, countries and healthcare systems. The robust SERAPHIN long-term outcome data is perceived as clinically relevant, differentiating Opsumit from other endothelin receptor antagonists (ERAs), and the product is rapidly gaining market share. At the end of 2014, over 6,300 patients were benefiting from Opsumit. Additional important clinical data, further documenting the clinical utility of Opsumit, was presented at various medical congresses throughout the year.

By the end of 2014, Opsumit had been successfully launched in the US, Germany, Austria, Switzerland, the UK, Ireland, Denmark, Sweden, the Netherlands, Australia, Italy, Belgium, Luxembourg, Canada, Finland, Mexico (private market), Norway and Iceland. The regulatory process for reimbursement is proceeding well in other European countries, such as Spain and France, where Opsumit should be launched during 2015.

In Japan, where the registration dossier was filed in June 2014, the regulatory process is proceeding well. The company has also filed for marketing authorization in Russia, Turkey, China, Brazil and other Asian and Latin American markets.

Tracleer®

[in CHF millions, except % variance]	2014	2013	variance CHF %	CER %
Sales by region				
United States	562	595	-6%	-4%
Europe	612	610	0%	2%
Japan	164	180	-9%	1%
Rest of the world	143	147	-3%	1%
Total	**1,481**	**1,532**	**-3%**	**-1%**

Sales of Tracleer (bosentan) amounted to CHF 1,481 million for 2014, a decrease of 1% at CER compared to 2013 due to erosion in markets where Opsumit is available, as well as market price pressures and increased generic competition. Sales were supported by the digital ulcer indication in Europe, as well as continued strong demand for Tracleer in markets where Opsumit is not yet available. US rebate reversals related to patient assistance programs and US price increases mitigated the decline. Underlying units sold decreased by 2%. Amidst increased generic competition, Actelion is successfully defending Tracleer in markets such as Canada, Turkey and Mexico. The company also introduced a generic bosentan in Brazil in 2012 and launched branded generic bosentan under the name of Stayveer® in Poland and the Czech Republic to compete with generics, as well as to protect EU Tracleer pricing.

Veletri®

[in CHF millions, except % variance]	2014	2013	variance CHF %	CER %
Sales by region				
United States	36	30	20%	22%
Europe	7	0	nm	nm
Japan	19	6	nm	nm
Rest of the world	2	0	nm	nm
Total	**64**	**37**	**76%**	**84%**

Sales of Veletri (epoprostenol for injection) reached CHF 64 million for the full year 2014, an increase of 84% at CER compared to 2013, driven by successful launches in additional markets (such as Australia, the Netherlands, Spain). Veletri continues to perform well in Japan, despite a 5% price cut on 1 March 2014. Veletri is well adopted, approaching an 80% share of new i.v. epoprostenol patients. At the end of 2014, Veletri was available in the US, Japan, the UK, Spain, Italy, the Netherlands, Australia, New Zealand, Portugal, Poland, Belgium, Canada, the Czech Republic and Switzerland.

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