

Salix Pharmaceuticals, Ltd.
Condensed Consolidated Statements of Operations
(In thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Revenues:				
Net product revenues	\$ 60,569	\$ 39,062	\$ 178,766	\$ 232,880
Revenue from collaborative agreements	-	400	-	2,912
Total revenues	60,569	39,462	178,766	235,792
Costs and Expenses:				
Cost of products sold	14,577	16,895	36,710	55,024
Fees and costs related to license agreements	5,500	200	7,105	1,850
Amortization of product rights and intangible assets	3,078	2,272	9,891	8,627
Research and development	20,932	15,142	76,630	71,947
Selling, general and administrative	27,533	22,390	95,088	86,492
Total costs and expenses	71,620	56,899	225,424	223,940
Income (loss) from operations	(11,051)	(17,437)	(46,658)	11,852
Interest and other income (expense), net	(593)	681	(495)	3,326
Income tax expense (benefit)	(1,108)	2,273	(116)	6,953
Net income (loss)	\$ (10,536)	\$ (19,029)	\$ (47,037)	\$ 8,225
Net income (loss) per share, basic	\$ (0.22)	\$ (0.40)	\$ (0.98)	\$ 0.17
Net income (loss) per share, diluted	\$ (0.22)	\$ (0.40)	\$ (0.98)	\$ 0.17
Shares used in computing net income (loss) per share, basic	48,068	47,605	47,898	47,329
Shares used in computing net income (loss) per share, diluted	48,068	47,605	47,898	48,678

Salix Pharmaceuticals, Ltd.
Condensed Consolidated Balance Sheets
(In thousands)

	December 31, 2008	December 31, 2007
Assets		
Cash and cash equivalents	\$ 120,153	\$ 111,272
Accounts receivable, net	40,461	52,208
Inventory, net	17,311	17,676
Other assets	223,222	215,946
Total Assets	\$ 401,147	\$ 397,102
Liabilities and Stockholders' Equity		
Accounts payable and other liabilities	\$ 150,324	\$ 104,532
Total liabilities	150,324	104,532
Common stock	48	47
Additional paid-in-capital	402,550	397,261
Accumulated deficit	(151,775)	(104,738)
Total stockholders' equity	250,823	292,570
Total Liabilities and Stockholders' Equity	\$ 401,147	\$ 397,102