

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

	Three Months Ended		Six Months Ended	
	June 30, 2009 (unaudited)	June 30, 2008 (unaudited)	June 30, 2009 (unaudited)	June 30, 2008 (unaudited)
Revenues:				
Net product revenues	\$ 52,234	\$ 41,071	\$ 97,008	\$ 75,325
Revenues from collaborative agreements	-	-	-	-
Total revenues	52,234	41,071	97,008	75,325
Costs and Expenses:				
Cost of products sold	11,411	7,114	21,316	14,370
Fees and costs related to license agreements	500	105	500	1,605
Amortization of product rights and intangible assets	2,501	2,271	5,003	4,542
Research and development	22,837	15,358	42,911	41,256
Selling, general and administrative	28,995	22,967	54,010	44,144
Total costs and expenses	66,244	47,815	123,740	105,917
Income (loss) from operations	(14,010)	(6,744)	(26,732)	(30,592)
Interest and other income, net	(1,354)	149	(2,645)	610
Income (loss) before provision for income tax	(15,364)	(6,595)	(29,377)	(29,982)
Provision for income tax	47	(494)	94	(1,104)
Net income (loss)	\$ (15,317)	\$ (7,089)	\$ (29,283)	\$ (31,086)
Net income (loss) per share, basic	\$ (0.32)	\$ (0.15)	\$ (0.61)	\$ (0.65)
Net income (loss) per share, diluted	\$ (0.32)	\$ (0.15)	\$ (0.61)	\$ (0.65)
Weighted average shares outstanding, basic	48,240	47,763	48,175	47,743
Weighted average shares outstanding, diluted	48,240	47,763	48,175	47,743

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

	June 30, 2009 (unaudited)	December 31, 2008 (audited)
Assets		
Cash and cash equivalents	\$ 86,049	\$ 120,153
Accounts receivable, net	53,366	40,461
Inventory, net	19,605	17,311
Other assets	218,025	222,559
Total Assets	\$ 377,045	\$ 400,484
Liabilities and Stockholders' Equity		
Accounts payable and other liabilities	\$ 137,210	\$ 135,083
Total liabilities	137,210	135,083
Common stock	48	48
Additional paid-in-capital	421,415	417,698
Accumulated deficit	(181,628)	(152,345)
Total stockholders' equity	239,835	265,401
Total Liabilities and Stockholders' Equity	\$ 377,045	\$ 400,484