

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

	Three Months Ended		Nine Months Ended	
	September 30, 2009 (unaudited)	September 30, 2008 (unaudited)	September 30, 2009 (unaudited)	September 30, 2008 (unaudited)
<b>Revenues:</b>				
Net product revenues	\$ 65,658	\$ 42,872	\$ 162,666	\$ 118,197
<b>Costs and Expenses:</b>				
Cost of products sold	13,207	7,763	34,523	22,133
Amortization of product rights and intangible assets	2,562	2,271	7,565	6,813
Research and development	26,143	14,442	69,554	57,303
Selling, general and administrative	29,622	23,411	83,632	67,555
Total costs and expenses	71,534	47,887	195,274	153,804
Income (loss) from operations	(5,876)	(5,015)	(32,608)	(35,607)
Interest and other income (expense), net	(1,417)	(541)	(4,062)	69
Income (loss) before provision for income tax	(7,293)	(5,556)	(36,670)	(35,538)
Provision for income tax	(22)	112	72	(992)
<b>Net income (loss)</b>	<b>\$ (7,315)</b>	<b>\$ (5,444)</b>	<b>\$ (36,598)</b>	<b>\$ (36,530)</b>
<b>Net income (loss) per share, basic</b>	<b>\$ (0.15)</b>	<b>\$ (0.11)</b>	<b>\$ (0.76)</b>	<b>\$ (0.76)</b>
<b>Net income (loss) per share, diluted</b>	<b>\$ (0.15)</b>	<b>\$ (0.11)</b>	<b>\$ (0.76)</b>	<b>\$ (0.76)</b>
<b>Weighted average shares outstanding, basic</b>	<b>48,878</b>	<b>48,040</b>	<b>48,410</b>	<b>47,842</b>
<b>Weighted average shares outstanding, diluted</b>	<b>48,878</b>	<b>48,040</b>	<b>48,410</b>	<b>47,842</b>

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

	September 30, 2009 (unaudited)	December 31, 2008 (audited)
<b>Assets</b>		
Cash and cash equivalents	\$ 69,102	\$ 120,153
Accounts receivable, net	75,458	40,461
Inventory, net	22,326	17,311
Other assets	223,781	222,559
<b>Total Assets</b>	<b>\$ 390,667</b>	<b>\$ 400,484</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable and other liabilities	\$ 153,252	\$ 135,083
Total liabilities	153,252	135,083
Common stock	49	48
Additional paid-in-capital	426,309	417,698
Accumulated deficit	(188,943)	(152,345)
<b>Total stockholders' equity</b>	<b>237,415</b>	<b>265,401</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 390,667</b>	<b>\$ 400,484</b>