

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

**\*\*DRAFT - For discussion purposes\*\***

	Three Months Ended	
	March 31, 2010 (unaudited)	March 31, 2009 (unaudited)
<b>Revenues:</b>		
Net product revenues	\$ 44,077	\$ 44,774
<b>Costs and Expenses:</b>		
Cost of products sold	9,799	9,905
Amortization of product rights and intangible assets	2,808	2,502
Research and development	18,756	20,074
Selling, general and administrative	36,528	25,015
Total costs and expenses	67,891	57,496
Loss from operations	(23,814)	(12,722)
Interest and other income (expense), net	(1,387)	(1,291)
Income tax expense	3	(47)
<b>Net Loss</b>	<b>\$ (25,204)</b>	<b>\$ (13,966)</b>
<b>Loss per share, basic</b>	<b>\$ (0.45)</b>	<b>\$ (0.29)</b>
<b>Loss per share, diluted</b>	<b>\$ (0.45)</b>	<b>\$ (0.29)</b>
<b>Shares used in computing net loss per share, basic</b>	<b>56,396</b>	<b>48,111</b>
<b>Shares used in computing net loss per share, diluted</b>	<b>56,396</b>	<b>48,111</b>

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

	March 31, 2010 (unaudited)	March 31, 2009 (unaudited)
<b>Assets</b>		
Cash and cash equivalents	\$ 198,044	\$ 83,468
Accounts receivable, net	55,514	54,087
Inventory, net	28,672	21,734
Other assets	228,387	222,313
<b>Total Assets</b>	<b>\$ 510,617</b>	<b>\$ 381,602</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable and other liabilities	\$ 157,129	\$ 128,442
Total liabilities	157,129	128,442
Common stock	56	48
Additional paid-in-capital	574,600	419,423
Accumulated deficit	(221,168)	(166,311)
<b>Total stockholders' equity</b>	<b>353,488</b>	<b>253,160</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 510,617</b>	<b>\$ 381,602</b>