

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

	Three Months Ended	
	March 31, 2007 (unaudited)	March 31, 2006 (unaudited)
Revenues:		
Net product revenues	\$ 59,785	\$ 41,853
Total revenues	59,785	41,853
Costs and Expenses:		
Cost of products sold	12,005	8,285
Fees and costs related to license agreements	200	-
Amortization of product rights and intangible assets	1,813	1,135
Research and development	21,825	10,128
Selling, general and administrative	21,416	19,419
Total costs and expenses	57,259	38,967
Income from operations	2,526	2,886
Interest and other income, net	900	970
Income tax expense	582	193
Net income	\$ 2,844	\$ 3,663
Net income per share, basic	\$ 0.06	\$ 0.08
Net income per share, diluted	\$ 0.06	\$ 0.08
Weighted average shares outstanding, basic	47,093	46,359
Weighted average shares outstanding, diluted	48,682	48,460

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

	March 31, 2007 (unaudited)	December 31, 2006 (audited)
Assets		
Cash, cash equivalents and investments	\$ 53,983	\$ 76,465
Accounts receivable, net	40,608	61,730
Inventory, net	23,455	25,123
Other assets	218,879	159,805
Total Assets	\$ 336,925	\$ 323,123
Liabilities and Stockholders' Equity		
Accounts payable and other liabilities	\$ 55,210	\$ 45,572
Total liabilities	55,210	45,572
Common stock	47	47
Additional paid-in-capital	391,787	390,467
Accumulated deficit	(110,119)	(112,963)
Total stockholders' equity	281,715	277,551
Total Liabilities and Stockholders' Equity	\$ 336,925	\$ 323,123