

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

	Three Months Ended		Six Months Ended	
	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Revenues:				
Net product revenues	\$ 66,678	\$ 52,853	\$ 126,463	\$ 94,706
Revenues from collaborative agreements	2,500	-	2,500	-
Total revenues	69,178	52,853	128,963	94,706
Costs and Expenses:				
Cost of products sold	13,041	9,237	25,046	17,522
Fees and costs related to license agreements	1,250	200	1,450	200
Amortization of product rights and intangible assets	2,271	1,135	4,084	2,270
Research and development	18,988	11,688	40,813	21,816
Selling, general and administrative	21,795	23,415	43,211	42,834
Total costs and expenses	57,345	45,675	114,604	84,642
Income from operations	11,833	7,178	14,359	10,064
Interest and other income, net	302	21	1,202	991
Income tax expense	1,898	264	2,480	457
Net income	\$ 10,237	\$ 6,935	\$ 13,081	\$ 10,598
Net income per share, basic	\$ 0.22	\$ 0.15	\$ 0.28	\$ 0.23
Net income per share, diluted	\$ 0.21	\$ 0.14	\$ 0.27	\$ 0.22
Weighted average shares outstanding, basic	47,181	46,549	47,137	46,454
Weighted average shares outstanding, diluted	48,766	48,146	48,724	48,303

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

	June 30, 2007 (unaudited)	December 31, 2006 (audited)
Assets		
Cash, cash equivalents and investments	\$ 46,418	\$ 76,465
Accounts receivable, net	71,635	61,730
Inventory, net	20,252	25,123
Other assets	212,261	159,805
Total Assets	\$ 350,566	\$ 323,123
Liabilities and Stockholders' Equity		
Accounts payable and other liabilities	\$ 57,537	\$ 45,572
Total liabilities	57,537	45,572
Common stock	47	47
Additional paid-in-capital	392,864	390,467
Accumulated deficit	(99,882)	(112,963)
Total stockholders' equity	293,029	277,551
Total Liabilities and Stockholders' Equity	\$ 350,566	\$ 323,123