

Consolidated Financial Statements

(Expressed in thousands of United States (U.S.) dollars)

(Prepared in accordance with generally accepted accounting principles used in the United States of America (U.S. GAAP))

CARDIOME PHARMA CORP.

Periods ended March 31, 2010 and 2009

(Unaudited)

CARDIOME PHARMA CORP.

Consolidated Balance Sheets

(Unaudited)

(Expressed in thousands of U.S. dollars, except share amounts)

(Prepared in accordance with U.S. GAAP)

	As at	
	March 31, 2010	December 31, 2009 (Adjusted- notes 2(a) & (c))
Assets		
Current assets:		
Cash and cash equivalents	\$ 63,505	\$ 47,270
Accounts receivable	855	1,428
Prepaid expenses and other assets	921	495
	<u>65,281</u>	<u>49,193</u>
Property and equipment	2,458	2,646
Intangible assets	1,630	1,666
	<u>\$ 69,369</u>	<u>\$ 53,505</u>

Liabilities and Stockholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 5,060	\$ 7,618
Deferred revenue	12,247	35,197
Current portion of deferred leasehold inducement	213	212
	<u>17,520</u>	<u>43,027</u>
Deferred leasehold inducement	647	696
Long-term debt (note 6)	25,000	-
	<u>43,167</u>	<u>43,723</u>
Stockholders' equity:		
Common stock	256,900	256,711
Authorized - unlimited number with no par value		
Issued and outstanding - 60,543,120 (2009 - 60,513,911)		
Additional paid-in capital	30,427	29,669
Deficit	(279,310)	(294,783)
Accumulated other comprehensive income	18,185	18,185
	<u>26,202</u>	<u>9,782</u>
	<u>\$ 69,369</u>	<u>\$ 53,505</u>

Related party transactions (note 9)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

/s/ Peter W. Roberts
Director

/s/ Harold H. Shlevin
Director

CARDIOME PHARMA CORP.

Consolidated Statements of Operations and Comprehensive Income (Loss)

(Unaudited)

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Prepared in accordance with U.S. GAAP)

	Three months ended	
	March 31, 2010	March 31, 2009 (Adjusted- notes 2(a) & (c))
Revenue:		
Licensing fees	\$ 22,921	\$ -
Research collaborative fees	124	220
	<u>23,045</u>	<u>220</u>
Expenses:		
Research and development	3,754	6,162
General and administration	3,358	3,320
Amortization	304	281
	<u>7,416</u>	<u>9,763</u>
Operating income (loss)	15,629	(9,543)
Other income and expenses:		
Interest income (expense)	(290)	14
Other income	158	11
Foreign exchange gain (loss)	(24)	274
	<u>(156)</u>	<u>299</u>
Net income (loss) for the period	15,473	(9,244)
Other comprehensive loss for the period:		
Foreign currency translation adjustment	-	(789)
Comprehensive income (loss) for the period	<u>15,473</u>	<u>(10,033)</u>
Basic and diluted income (loss) per common share (note 7)	\$ 0.26	\$ (0.14)
Weighted average number of common shares outstanding - basic	60,518,755	63,762,296
Weighted average number of common shares outstanding - diluted	60,572,037	63,762,296

See accompanying notes to the consolidated financial statements.

CARDIOME PHARMA CORP.

Consolidated Statements of Stockholders' Equity
 For the three months ended March 31, 2010 and 2009
 (Unaudited)
 (Expressed in thousands of U.S. dollars)
 (Prepared in accordance with U.S. GAAP)

	Common stock	Preferred stock	Additional paid-in capital	Deficit	Accumulated other comprehensive income	Total stockholders' equity
Balance at December 31, 2009 - Adjusted	\$ 256,711	\$ -	\$ 29,669	\$ (294,783)	\$ 18,185	\$ 9,782
Net income	-	-	-	15,473	-	15,473
Common stock issued upon exercise of options	135	-	-	-	-	135
Reallocation of additional paid-in capital arising from stock-based compensation related to exercise of options	54	-	(54)	-	-	-
Stock option expense recognized	-	-	812	-	-	812
Foreign currency translation adjustment	-	-	-	-	-	-
Balance at March 31, 2010	\$ 256,900	\$ -	\$ 30,427	\$ (279,310)	\$ 18,185	\$ 26,202
					Accumulated other comprehensive income (loss)	Total stockholders' equity
(Adjusted- notes 2(a) & (c))	Common stock	Preferred stock	Additional paid-in capital	Deficit		
Balance at December 31, 2008	\$ 255,657	\$ 24,698	\$ 22,112	\$ (297,137)	\$ 20,944	\$ 26,274
Net loss	-	-	-	(9,244)	-	(9,244)
Stock option expense recognized	-	-	345	-	-	345
Foreign currency translation adjustment	-	-	-	-	(789)	(789)
Balance at March 31, 2009	\$ 255,657	\$ 24,698	\$ 22,457	\$ (306,381)	\$ 20,155	\$ 16,586

See accompanying notes to the consolidated financial statements.

CARDIOME PHARMA CORP.

Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in thousands of U.S. dollars)
(Prepared in accordance with U.S. GAAP)

	Three months ended	
	March 31, 2010	March 31, 2009 (Adjusted- notes 2(a) & (c))
Cash flows from operating activities:		
Net income (loss) for the period	\$ 15,473	\$ (9,244)
Add items not affecting cash:		
Amortization	304	281
Stock-based compensation	812	345
Deferred leasehold inducement	(48)	(41)
Unrealized foreign exchange gain	(147)	(154)
Write off of property and equipment	1	2
Changes in operating assets and liabilities:		
Accounts receivable	583	(200)
Prepaid expenses and other assets	(426)	(414)
Accounts payable and accrued liabilities	(2,522)	(834)
Deferred revenue	(22,950)	-
Net cash used in operating activities	(8,920)	(10,259)
Cash flows from investing activities:		
Purchase of property and equipment	(39)	(1)
Purchase of intangible assets	(42)	(34)
Net cash used in investing activities	(81)	(35)
Cash flows from financing activities:		
Issuance of common stock upon exercise of stock options	135	-
Proceeds from issuance of long-term debt	25,000	-
Net cash provided by financing activities	25,135	-
Effect of foreign exchange rate changes on cash and cash equivalents	101	(765)
Increase (decrease) in cash and cash equivalents during the period	16,235	(11,059)
Cash and cash equivalents, beginning of period	47,270	30,495
Cash and cash equivalents, end of period	\$ 63,505	\$ 19,436
Supplemental cash flow information:		
Interest paid	\$ 3	\$ 3
Interest received	2	25

See accompanying notes to the consolidated financial statements.

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

1. Basis of presentation:

These unaudited interim consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles used in the United States of America (U.S. GAAP) and are presented in U.S. dollars. These policies are consistent with Canadian generally accepted accounting principles (Canadian GAAP) in all material respects for the Company, except as described in note 11 below. Cardiome Pharma Corp (the Company) issued its audited annual consolidated financial statements for the year ended December 31, 2009 in accordance with Canadian GAAP in Canadian dollars and also provided a reconciliation of the differences between Canadian GAAP and U.S. GAAP in note 19 to those audited annual consolidated financial statements. The change in generally accepted accounting principles as well as changes in the Company's functional and reporting currencies is described in note 2 below. These unaudited interim consolidated financial statements do not include all note disclosures required by U.S. GAAP on an annual basis, and therefore should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2009 filed with the appropriate securities commissions. The results of operations for the three-month periods ended March 31, 2010 and 2009 are not necessarily indicative of the results for the full year.

The Company has financed its cash requirements primarily from share issuances, payments from research collaborators, licensing fees and credit facilities. The Company's ability to realize the carrying value of its assets is dependent on successfully bringing its technologies to market and achieving future profitable operations, the outcome of which cannot be predicted at this time.

2. Changes affecting fiscal 2010 consolidated financial statements:

(a) Change in generally accepted accounting policies

The Company historically prepared its consolidated financial statements in conformity with Canadian GAAP and provided a supplemental reconciliation to U.S. GAAP. Effective January 1, 2010, the Company adopted U.S. GAAP as the reporting standard for its consolidated financial statements. These consolidated interim financial statements, including related notes, have therefore been prepared in accordance with U.S. GAAP. All comparative financial information contained herein has been recast to reflect the Company's results as if the Company had historically reported in accordance with U.S. GAAP. These adjustments resulted in an increase in deficit of \$13,748, a decrease in intangible assets of \$13,855, an increase in common share capital of \$446, and an increase in additional paid-in capital of \$80, at January 1, 2010. These differences are outlined in our annual audited consolidated financial statements for the year ended December 31, 2009 in note 19. A reconciliation of the differences from U.S GAAP to Canadian GAAP is contained in note 11.

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

2. Changes affecting fiscal 2010 consolidated financial statements (continued):

(b) Change in functional currency

The functional currency of the Company and its subsidiaries changed to U.S. dollars from Canadian dollars on January 1, 2010 based on management's analysis of the primary economic environment in which the Company and its wholly owned subsidiaries operate. The change in functional currency is accounted for prospectively from January 1, 2010 and prior year financial statements have not been restated for the change in functional currency. As a result of this change, the Company's foreign operations have been translated to U.S. dollars using the temporal method on a prospective basis. Monetary assets and liabilities are translated into U.S. dollars using the exchange rate in effect at the end of the period, and non-monetary assets and liabilities are translated into U.S. dollars using the exchange rate in effect at the date of the transaction. Revenues and expenses are translated at the average rate during the period. Foreign exchange gains and losses are included in the consolidated statement of operations and comprehensive income (loss).

(c) Change in reporting currency

The Company has also elected to adopt U.S. dollars as its reporting currency effective January 1, 2010 to better reflect its business and to improve comparability of its financial information with other publicly traded businesses in the life sciences industry. Prior year financial statements and all comparative financial information contained herein have been recast to reflect the Company's results as if they had been historically reported in U.S. dollars. All revenues, expenses and cash flows for each period were translated into the reporting currency using average rates for the period, or the rates in effect at the date of the transaction for significant transactions. Assets and liabilities were translated using the exchange rate at the end of the period and stockholders' equity was translated at historical rates. The resulting translation adjustment was recorded as accumulated foreign currency translation adjustment in accumulated other comprehensive income.

The cumulative impact of the change in reporting currency was to increase accumulated other comprehensive income by \$18,185 as at December 31, 2009.

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

3. Future changes in accounting policies:

(a) International Financial Reporting Standards:

In 2008, the U.S. Securities and Exchange Commission (SEC) issued a proposed roadmap regarding the potential use of International Financial Reporting Standards (IFRS) by SEC issuers. Under this proposed roadmap, SEC issuers could be required to prepare financial statements under IFRS in fiscal 2014. The Company expects to adopt IFRS as its reporting standard when the SEC requires its domestic registrants in the U.S. to transition to IFRS. The SEC will make a determination in 2011 regarding the mandatory adoption of IFRS. The Company has not assessed the impact of this potential change on its consolidated financial statements.

(b) Multiple-Deliverable Revenue Arrangements:

In October 2009, the Financial Accounting Standards Board (FASB) provided amendments to the criteria for separating consideration in multiple-deliverable arrangements, established a selling price hierarchy for determining the selling price of a deliverable, and eliminated the residual method of allocation of consideration by requiring that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method. FASB also requires expanded disclosures related to multiple-deliverable revenue arrangements, including information about the significant judgments made and changes to those judgments, as well as how the application of the relative selling-price method affects the timing and amount of revenue recognition. These amendments will be effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The impact of adoption of the amendments on the Company's consolidated financial statements has not been determined.

(c) Milestone method of revenue recognition:

In April 2010, FASB published guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research or development transactions. Consideration that is contingent on achievement of a milestone in its entirety may be recognized as revenue in the period in which the milestone is achieved only if the milestone is judged to meet certain criteria to be considered substantive. Milestones should be considered substantive in their entirety and may not be bifurcated. An arrangement may contain both substantive and nonsubstantive milestones that should be evaluated individually. The amendments are effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. Early adoption is permitted. The impact of adoption of the amendments on the Company's consolidated financial statements has not been determined.

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

4. Financial instruments:

The fair values of accounts receivable, accounts payable and accrued liabilities approximate carrying values because of their short-term nature.

5. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities comprise of:

	March 31, 2010	December 31, 2009
Trade accounts payable	\$ 1	\$ 920
Accrued contract research	2,637	4,400
Employee-related accruals	547	893
Other accrued liabilities ⁽¹⁾	1,875	1,405
	<u>\$ 5,060</u>	<u>\$ 7,618</u>

⁽¹⁾ Included in other accrued liabilities at March 31, 2010 is an amount of \$295 (December 31, 2009 - \$162) owing to a related party (note 9).

6. Long-term debt:

Pursuant to a collaboration and license agreement with Merck & Co., Inc. (Merck), Merck has granted the Company an interest-bearing credit facility of up to \$100 million, secured by a first priority interest to the Company's patents and all associated proceeds. This credit facility can be accessed in amounts of up to \$25 million annually, subject to certain minimums, from January 1, 2010 to December 31, 2013, with each advance to be fully repaid six years after the year of the advance on December 31st. Interest accrues at LIBOR plus 8% per annum and is payable at the end of each calendar quarter.

The Company borrowed \$25 million under this facility in the three month period ended March 31, 2010. The Company may at its option, repay all or a portion of the advance from time to time without premium or penalty. This advance must be repaid in full by December 31, 2016.

The long-term debt has been recorded at amortized cost. Based on current market borrowing rates, the carrying value of the Company's long-term debt approximates its fair value.

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

7. Basic and diluted income (loss) per share:

Basic income (loss) per share is calculated using the weighted average number of common shares outstanding during the period.

Diluted income (loss) per share is calculated using the weighted average number of common shares outstanding during the period, adjusted to include the number of incremental common shares that would have been outstanding if all dilutive potential common shares had been issued. The incremental common shares related to stock options are calculated using the treasury stock method, whereby the potential proceeds from the exercise of dilutive stock options are used to purchase the Company's common shares at the average market price during the period.

Of the 6,336,370 stock options outstanding at March 31, 2010, the number of potentially dilutive common shares excluded from the income per share calculation due to their anti-dilutive effect was 5,037,693 for the three months ended March 31, 2010. As the Company incurred a loss for the three months ended March 31, 2009, all stock options and convertible preferred shares were anti-dilutive and were excluded from the diluted weighted average shares outstanding for that period.

Reconciliations of the income (loss) and weighted average number of common shares used in the calculations are set forth below:

	For the Three Months Ended March 31	
	2010	2009
Income (loss) available to common stockholders	\$ 15,473	\$ (9,244)
Weighted average number of common shares for basic income (loss) per share	60,518,755	63,762,296
Dilutive effect of options	53,282	-
Diluted weighted average number of common shares for diluted income (loss) per share	60,572,037	63,762,296
Basic income (loss) per share	\$ 0.26	\$ (0.14)
Diluted income (loss) per share	\$ 0.26	\$ (0.14)

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

8. Stockholders' equity:

(a) Stock options:

Details of the stock option transactions for the three months ended March 31, 2010 are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price (CAD\$)
Balance, December 31, 2009	6,339,031	7.45
Options granted	33,000	6.20
Options exercised	(29,209)	4.71
Options forfeited	(1,452)	4.65
Options expired	(5,000)	5.54
Balance, March 31, 2010	6,336,370	7.46

At March 31, 2010, the Company had 6,336,370 stock options outstanding, of which 3,758,061 are exercisable, at a weighted average exercise price of CAD\$7.46 per common share and expiring at various dates from April 12, 2010 to March 10, 2015.

At March 31, 2010, stock options to executive officers and directors, employees and consultants were outstanding as follows:

Range of exercise prices (CAD\$)	Options outstanding			Options exercisable	
	Number of common shares issuable	Weighted average remaining contractual life (years)	Weighted average exercise price (CAD\$)	Number of common shares issuable	Weighted average exercise price (CAD\$)
\$4.15 - \$6.20	2,949,927	3.75	4.68	749,912	4.67
\$6.29 - \$8.95	1,529,853	0.83	7.87	1,518,353	7.86
\$8.98 - \$11.15	946,292	2.63	10.14	697,196	10.17
\$11.26 - \$14.50	910,298	2.70	12.98	792,600	13.03
	6,336,370	2.73	7.46	3,758,061	8.74

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

8. Stockholders' equity (continued):

(a) Stock options (continued):

A summary of the Company's non-vested stock option activity and related information for the three month period ended March 31, 2010 is as follows:

	Number of options	Weighted average grant-date fair value (U.S.\$)
Non-vested options		
Non-vested at December 31, 2009	2,567,398	2.82
Granted	33,000	3.03
Vested	(21,000)	6.20
Forfeited	(1,089)	1.89
Non-vested at March 31, 2010	2,578,309	2.79

As of March 31, 2010, there was \$2,930 of total unrecognized compensation cost related to non-vested stock options. That cost is expected to be recognized over a weighted average period of 1.6 years.

The aggregate intrinsic value of stock options outstanding at March 31, 2010 was \$5,990.

The aggregate intrinsic value of the vested and exercisable stock options at March 31, 2010 was \$1,630.

The aggregate intrinsic value of stock options exercised during the three months ended March 31, 2010 was \$55. There were no stock options exercised during the three months ended March 31, 2009.

The aggregate fair value of vested options during the period ended March 31, 2010 was \$130 (2009 - \$1,093).

The weighted average remaining contractual life of vested and exercisable stock options at March 31, 2010 was 2.1 years.

Cash received during the period ended March 31, 2010 related to the exercise of stock options was \$135.

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

8. Stockholders' equity (continued):

(b) Stock-based compensation:

The estimated fair value of options granted from December 1, 2002 to officers, directors, employees and consultants is amortized over the vesting period. Compensation expense is recorded in research and development expenses and general and administration expenses as follows:

	For the Three Months Ended March 31	
	2010	2009
Research and development	\$ 309	\$ 108
General and administration	503	237
Total	\$ 812	\$ 345

The weighted average fair value of stock options granted during the three months ended March 31, 2010 was \$3.03 per option. The Company did not grant any stock options during the three months ended March 31, 2009. The estimated fair value of the stock options granted was determined using the Black-Scholes option pricing model with the following weighted-average assumptions:

	For the Three Months Ended March 31	
	2010	2009
Dividend yield	0%	-
Expected volatility	61.8%	-
Risk-free interest rate	2.4%	-
Expected average life of the options	4.2 years	-

There is no dividend yield as the Company has not paid, and does not plan to pay, dividends on its common shares. The expected volatility is based on the historical share price volatility of the Company's daily share closing prices over a period equal to the expected life of each option grant. The risk-free interest rate is based on yields from Canadian government bond yields with a term equal to the expected term of the options being valued. The expected life of options represents the period of time that the options are expected to be outstanding based on the contractual term of the options and on historical data of option holder exercise and post-vesting employment termination behaviour.

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

8. Stockholders' equity (continued):

(b) Stock-based compensation (continued):

The Company estimates forfeitures for unvested options as a percentage of stock-based compensation. For the period ended March 31, 2010, the Company applied an estimated percentage of 11.7% which management considered to be a reasonable estimate of actual forfeitures.

9. Related party transactions:

The Company has incurred expenses for services provided by a law firm in which an officer is a partner. The amounts charged are recorded at their exchange amounts and are subject to normal trade terms. For the three months ended March 31, 2010, the Company has incurred legal fees of \$284 (2009 - \$234) for services provided by the law firm relating to general corporate matters and review of partnership opportunities. Included in accounts payable and accrued liabilities at March 31, 2010 is an amount of \$295 (December 31, 2009 - \$162) owing to the legal firm.

10. Accounting for tax uncertainties:

The amount of liability for unrecognized tax benefits as of March 31, 2010 is nil.

The Company recognizes interest and penalties related to income taxes in interest income (expense). To date, the Company has not incurred any significant interest and penalties.

11. Reconciliation of Generally Accepted Accounting Principles:

The Company prepares its consolidated financial statements in accordance with U.S. GAAP which, as applied in these consolidated financial statements, conform in all material respects to Canadian GAAP, except as summarized below:

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

11. Reconciliation of Generally Accepted Accounting Principles (continued):

I. Reconciliation of consolidated balance sheets:

As at March 31, 2010 (in thousands of U.S. dollars)

	Stated in accordance with U.S. GAAP	Adjustments from U.S. to Canadian GAAP	Note	Stated in accordance with Canadian GAAP
Assets				
Current assets:				
Cash and cash equivalents	\$ 63,505	\$ -		\$ 63,505
Accounts receivable	855	-		855
Prepaid expenses and other assets	921	-		921
	65,281	-		65,281
Property and equipment	2,458	-		2,458
Intangible assets	1,630	13,362	a & b	14,992
	\$ 69,369	\$ 13,362		\$ 82,731
Liabilities & Stockholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 5,060	\$ -		\$ 5,060
Deferred revenue	12,247	-		12,247
Current portion of deferred leasehold inducement	213	-		213
	17,520	-		17,520
Deferred leasehold inducement	647	-		647
Long-term debt	25,000	-		25,000
	43,167	-		43,167
Stockholders' equity:				
Common stock	256,900	(446)	c	256,454
Additional paid-in capital	30,427	(6)	d	30,421
Deficit	(279,310)	13,181	a,b,c & d	(266,129)
Accumulated other comprehensive income	18,185	633	a & b	18,818
	26,202	13,362		39,564
	\$ 69,369	\$ 13,362		\$ 82,731

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

11. Reconciliation of Generally Accepted Accounting Principles (continued):

I. Reconciliation of consolidated balance sheets (continued):

December 31, 2009 (in thousands of U.S. dollars unless otherwise stated)

	Stated in accordance with U.S. GAAP	Adjustments from U.S. to Canadian GAAP	Note	Stated in accordance with Canadian GAAP	Stated in accordance with Canadian GAAP and in CAD\$
Assets					
Current assets:					
Cash and cash equivalents	\$ 47,270	\$ -		\$ 47,270	\$ 49,680
Accounts receivable	1,428	-		1,428	1,501
Prepaid expenses and other assets	495	-		495	521
	49,193	-		49,193	51,702
Property and equipment	2,646	-		2,646	2,782
Intangible assets	1,666	13,855	a & b	15,521	16,312
	\$ 53,505	\$ 13,855		\$ 67,360	\$ 70,796
Liabilities & Stockholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 7,618	\$ -		\$ 7,618	\$ 8,007
Deferred revenue	35,197	-		35,197	36,992
Current portion of deferred leasehold inducement	212	-		212	223
	43,027	-		43,027	45,222
Deferred leasehold inducement	696	-		696	732
	43,723	-		43,723	45,954
Stockholders' equity:					
Common stock	256,711	(446)	c	256,265	322,329
Additional paid-in capital	29,669	(80)	d	29,589	33,192
Deficit	(294,783)	13,748	a,b,c,& d	(281,035)	(330,679)
Accumulated other comprehensive income	18,185	633	a & b	18,818	-
	9,782	13,855		23,637	24,842
	\$ 53,505	\$ 13,855		\$ 67,360	\$ 70,796

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

11. Reconciliation of Generally Accepted Accounting Principles (continued):

II. Reconciliation of consolidated statements of operations and comprehensive income (loss):

For the three months ended March 31, 2010: (in thousands of U.S. dollars, except share and per share amounts)

	Stated in accordance with U.S. GAAP	Adjustments from U.S. to Canadian GAAP	Note	Stated in accordance with Canadian GAAP
Revenue:				
Licensing fees	\$ 22,921	\$ -		\$ 22,921
Research collaborative fees	124	-		124
	23,045	-		23,045
Expenses:				
Research and development	3,754	71	a & d	3,825
General and administration	3,358	46	d	3,404
Amortization	304	450	a & b	754
	7,416	567		7,983
Operating income (loss)	15,629	(567)		15,062
Other income and expenses:				
Interest expense	(290)	-		(290)
Other income	158	-		158
Foreign exchange loss	(24)	-		(24)
	(156)	-		(156)
Net income (loss)	15,473	(567)		14,906
Basic and diluted income (loss) per common share	\$ 0.26	\$ (0.01)		\$ 0.25
Weighted average number of common shares outstanding – basic	60,518,755	-		60,518,755
Weighted average number of common shares outstanding – diluted	60,572,037	-		60,572,037

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

11. Reconciliation of Generally Accepted Accounting Principles (continued):

II. Reconciliation of consolidated statements of operations and comprehensive loss (continued):

For the three months ended March 31, 2009: (in thousands of U.S. dollars, except share and per share amounts and where otherwise stated)

	Stated in accordance with U.S. GAAP	Adjustments from U.S. to Canadian GAAP	Note	Stated in accordance with Canadian GAAP	Stated in accordance with Canadian GAAP and in CAD\$
Revenue:					
Licensing fees	\$ -	\$ -		\$ -	\$ -
Research collaborative fees	220	-		220	274
	220	-		220	274
Expenses:					
Research and development	6,162	34	a & d	6,196	\$ 7,715
General and administration	3,320	2	d	3,322	4,137
Amortization	281	387	a & b	668	832
	9,763	423		10,186	12,684
Operating loss	(9,543)	(423)		(9,966)	(12,410)
Other income and expenses:					
Interest income	14	-		14	17
Other income	11	-		11	14
Foreign exchange gain	274	-		274	341
	299	-		299	372
Net loss	(9,244)	(423)		(9,667)	(12,038)
Other comprehensive loss					
Foreign currency translation adjustment	(789)	(466)	a & b	(1,255)	-
Comprehensive loss	\$ (10,033)	\$ (889)		\$ (10,922)	\$ (12,038)
Basic and diluted loss per common share	\$ (0.14)	\$ (0.01)		\$ (0.15)	\$ (0.19)
Weighted average number of common shares outstanding	63,762,296	-		63,762,296	63,762,296

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

11. Reconciliation of Generally Accepted Accounting Principles (continued):

III. Reconciliation of consolidated statements of cash flows:

For the three months ended March 31, 2010 (in thousands of U.S. dollars)

	Stated in accordance with U.S. GAAP	Adjustments from U.S. to Canadian GAAP	Note	Stated in accordance with Canadian GAAP
Cash flows from operating activities:				
Net income (loss) for the period	\$ 15,473	\$ (567)		\$ 14,906
Add items not affecting cash:				
Amortization	304	450	a & b	754
Stock-based compensation	812	75	d	887
Deferred leasehold inducement	(48)	-		(48)
Unrealized foreign exchange gain	(147)	-		(147)
Write-off of property and equipment	1	-		1
Changes in operating assets and liabilities:				
Accounts receivable	583	-		583
Prepaid expenses and other assets	(426)	-		(426)
Accounts payable and accrued liabilities	(2,522)	-		(2,522)
Deferred revenue	(22,950)	-		(22,950)
Net cash used in operating activities	(8,920)	(42)		(8,962)
Cash flows from investing activities:				
Purchase of property and equipment	(39)	-		(39)
Purchase of intangible assets	(42)	42	a	-
Net cash provided by (used in) investing activities	(81)	42		(39)
Cash flows from financing activities:				
Issuance of common stock upon exercise of stock options	135	-		135
Proceeds from issuance of long-term debt	25,000	-		25,000
Net cash provided by financing activities	25,135	-		25,135
Effect of foreign exchange rate changes on cash and cash equivalents	101	-		101
Increase in cash and cash equivalents during the period	16,235	-		16,235
Cash and cash equivalents, beginning of period	47,270	-		47,270
Cash and cash equivalents, end of period	\$ 63,505	\$ -		\$ 63,505
Supplemental cash flow information				
Interest paid	\$ 3	\$ -		\$ 3
Interest received	2	-		2

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

11. Reconciliation of Generally Accepted Accounting Principles (continued):

III. Reconciliation of consolidated statements of cash flows:

For the three months ended March 31, 2009: (in thousands of U.S. dollars unless otherwise stated)

	Stated in accordance with U.S. GAAP	Adjustments from U.S. to Canadian GAAP	Note	Stated in accordance with Canadian GAAP	Stated in accordance with Canadian GAAP and in CAD \$
Cash flows from operating activities:					
Net loss for the period	\$ (9,244)	\$ (423)		\$ (9,667)	\$ (12,038)
Add items not affecting cash:					
Amortization	281	387	a & b	668	832
Stock-based compensation	345	2	d	347	432
Deferred leasehold inducement	(41)	-		(41)	(51)
Unrealized foreign exchange gain	(154)	-		(154)	(192)
Write-off of property and equipment	2	-		2	3
Changes in operating assets and liabilities:					
Accounts receivable	(200)	-		(200)	(249)
Prepaid expenses and other assets	(414)	-		(414)	(516)
Accounts payable and accrued liabilities	(834)	-		(834)	(1,039)
Net cash used in operating activities	(10,259)	(34)		(10,293)	(12,818)
Cash flows from investing activities:					
Purchase of property and equipment	(1)			(1)	(1)
Purchase of intangible asset	(34)	34	a	-	-
Net cash provided by (used in) investing activities	(35)	34		(1)	(1)
Effect of foreign exchange rate changes on cash and cash equivalents	(765)	-		(765)	192
Decrease in cash and cash equivalents during the period	(11,059)	-		(11,059)	(12,627)
Cash and cash equivalents, beginning of period	30,495	-		30,495	37,142
Cash and cash equivalents, end of period	\$ 19,436	\$ -		\$ 19,436	\$ 24,515
Supplemental cash flow information					
Interest paid	\$ 3	\$ -		\$ 3	\$ 4
Interest received	25	-		25	32

CARDIOME PHARMA CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(Expressed in thousands of U.S. dollars except share and per share amounts and where otherwise indicated)

(Prepared in accordance with U.S. GAAP)

As at and for the three months ended March 31, 2010 and 2009

11. Reconciliation of Generally Accepted Accounting Principles (continued):

IV. Reconciliation of U.S. GAAP to Canadian GAAP - Notes:

(a) Patents

Under U.S. GAAP, patent costs related to internally generated assets developed from research activities are capitalized and amortized on a straight line basis over the estimated useful life of the patent. Under Canadian GAAP, these costs are expensed as incurred.

(b) In-process research and development:

Under U.S. GAAP, the Company's acquired license for a clinical-stage drug candidate is classified as in-process research and development and written off immediately as it has no alternative use. Under Canadian GAAP, in-process research and development is amortized over its estimated useful life.

(c) Preferred shares:

Under U.S. GAAP, the Series A convertible preferred shares contain an embedded beneficial conversion feature of \$446 in favor of CR Intrinsic Investments, LLC (the holder). The beneficial conversion feature represents the difference between the conversion price and the fair value of the Company's common stock on the commitment date, which was also the issuance date. Under U.S. GAAP, the beneficial conversion feature was measured at its intrinsic value at the date of issuance of the shares and was recognized as a return to the preferred shareholders through a charge to deficit, over the period from the date of issuance to October 25, 2008, which was the earliest date when the conversion became exercisable by the holder. The beneficial conversion feature of \$446 was fully amortized in 2008.

(d) Stock-based compensation:

The amount of stock-based compensation expense for U.S. GAAP purposes differs from the amount for Canadian GAAP purposes, representing the impact of estimated employee award forfeitures. Under U.S. GAAP, the Company estimates forfeitures for unvested options as a percentage of stock-based compensation. Under Canadian GAAP, no estimate forfeitures of unvested options are made.