UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2009.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number 001-33528

OPKO Health, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	75-2402409
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

4400 Biscayne Blvd.
Miami, FL 33137
(Address of Principal Executive Offices) (ZIP Code)

(305) 575-4100
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ YES ☐ NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☐ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☑	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): YES ☐ NO ☑

As of November 3, 2009, the registrant had 253,744,539 shares of common stock outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995, or PSLRA, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements about our expectations, beliefs or intentions regarding our product development efforts, business, financial condition, results of operations, strategies or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These factors include those described below and in "Item 1A-Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2008, and described from time to time in our reports filed with the Securities and Exchange Commission. We do not undertake any obligation to update forward-looking statements. We intend that all forward-looking statements be subject to the safe-harbor provisions of the PSLRA. These forward-looking statements are only predictions and reflect our views as of the date they are made with respect to future events and financial performance.

Risks and uncertainties, the occurrence of which could adversely affect our business, include the following:

- We have a history of operating losses and we do not expect to become profitable in the near future.
- Our technologies are in an early stage of development and are unproven.
- Our drug research and development activities may not result in commercially viable products.
- Following the recommendation of the Independent Data Monitoring Committee, we terminated the Phase III clinical trial of bevasiranib, our most advanced product candidate. As a result, we may not continue to develop or be able to successfully commercialize bevasiranib.
- Our current and planned clinical trials may not satisfy the requirements of the FDA or other non-United States regulatory authorities.
- We will require substantial additional funding, which may not be available to us on acceptable terms, or at all.
- We expect to finance future cash needs primarily through public or private offerings, debt financings or strategic collaborations, which may dilute your stockholdings in the Company.
- If our competitors develop and market products that are more effective, safer or less expensive than our future product candidates, our commercial opportunities will be negatively impacted.
- The regulatory approval process is expensive, time consuming and uncertain and may prevent us or our collaboration partners from obtaining approvals for the commercialization of some or all of our product candidates.
- Failure to recruit and enroll patients for clinical trials may cause the development of our product candidates to be delayed.
- Even if we obtain regulatory approvals for our product candidates, the terms of approvals and ongoing regulation of our products may limit how we manufacture and market our product candidates, which could materially impair our ability to generate anticipated revenues.
- We may not meet regulatory quality standards applicable to our manufacturing and quality processes.
- Even if we receive regulatory approval to market our product candidates, the market may not be receptive to our products.
- If we fail to attract and retain key management and scientific personnel, we may be unable to successfully develop or commercialize our product candidates.

- In the event that we successfully evolve from a company primarily involved in development to a company also involved in commercialization, we may encounter difficulties in managing our growth and expanding our operations successfully.
- If we fail to acquire and develop other products or product candidates, at all or on commercially reasonable terms, we may be unable to diversify or grow our business.
- We have no experience manufacturing our pharmaceutical product candidates and we therefore intend to rely on third parties to manufacture and supply our pharmaceutical product candidates, and would need to meet various standards necessary to satisfy FDA regulations if and when we commence manufacturing.
- We currently have no pharmaceutical marketing, sales or distribution organization. If we are unable to develop our sales and marketing and distribution capability on our own or through collaborations with marketing partners, we will not be successful in commercializing our pharmaceutical product candidates.
- Independent clinical investigators and contract research organizations that we engage to conduct our clinical trials may not be diligent, careful or timely.
- The success of our business is dependent on the actions of our collaborative partners.
- If we are unable to obtain and enforce patent protection for our products, our business could be materially harmed.
- If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology and products could be adversely affected.
- We will rely heavily on licenses from third parties.
- We license patent rights to certain of our technology from third-party owners. If such owners do not properly maintain or enforce the patents underlying such licenses, our competitive position and business prospects will be harmed.
- Our commercial success depends significantly on our ability to operate without infringing the patents and other proprietary rights of third parties.
- Adverse results in material litigation matters or governmental inquiries could have a material adverse effect upon our business and financial condition.
- Medicare prescription drug coverage legislation and future legislative or regulatory reform of the health care system may affect our ability to sell our products profitably.
- Failure to obtain regulatory approval outside the United States will prevent us from marketing our product candidates abroad.
- We may not have the funding available to pursue acquisitions.
- Acquisitions may disrupt our business, distract our management and may not proceed as planned; and we may encounter difficulties in integrating acquired businesses.
- Non-United States governments often impose strict price controls, which may adversely affect our future profitability.
- Our business may become subject to economic, political, regulatory and other risks associated with international operations.
- The market price of our common stock may fluctuate significantly.

- Directors, executive officers, principal stockholders and affiliated entities own a majority of our capital stock, and they may make decisions that you do not consider to be in your best interests or in the best interests of our stockholders.
- Compliance with changing regulations concerning corporate governance and public disclosure may result in additional expenses.
- If we are unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as they apply to us, or our internal controls over financial reporting are not effective, the reliability of our financial statements may be questioned and our common stock price may suffer.
- We may be unable to maintain our listing on the NYSE Amex Exchange, which could cause our stock price to fall and decrease the liquidity of our common stock.
- Future issuances of common stock may depress the trading price of our common stock.
- Provisions in our charter documents and Delaware law could discourage an acquisition of us by a third party, even if the acquisition would be favorable to you.
- We do not intend to pay cash dividends on our common stock in the foreseeable future.

PART I. FINANCIAL INFORMATION

Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to the "Company", "OPKO", "we", "our", "ours", and "us" refer to OPKO Health, Inc., a Delaware corporation, including our wholly-owned subsidiaries.

Item 1. Financial Statements

OPKO Health, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

(in thousands except share data)

	September 30, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	$ 58,391	$ 6,678
Marketable securities	5,000	—
Accounts receivable, net	1,395	1,005
Inventory	5,447	4,063
Prepaid expenses and other current assets	1,536	1,720
Total current assets	71,769	13,466
Property and equipment, net	551	659
Intangible assets, net	5,118	6,336
Goodwill	1,097	1,097
Investments	4,697	—
Other assets	371	206
Total assets	$ 83,603	$ 21,764
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,253	$ 2,221
Accrued expenses	3,064	5,394
Current portion of notes payable and capital lease obligations	27	97
Total current liabilities	4,344	7,712
Long-term liabilities and capital lease obligations	2,996	1,826
Line of credit with related party, net unamortized discount of $84 and $133, respectively	11,916	11,867
Total liabilities	19,256	21,405
Commitments and contingencies	—	—
Shareholders' equity		
Series A Preferred stock — $0.01 par value, 4,000,000 shares authorized; 932,667 and 953,756 shares issued and outstanding (liquidation value of $2,507 and $2,384) at September 30, 2009 and December 31, 2008, respectively	9	10
Series C Preferred Stock — $0.01 par value, 500,000 shares authorized; No shares issued or outstanding	—	—
Series D Preferred Stock — $0.01 par value, 2,000,000 shares authorized; 1,209,677 and 0 shares issued and outstanding (liquidation value of $30,013 and $0) at September 30, 2009 and December 31, 2008	12	—
Common Stock — $0.01 par value, 500,000,000 shares authorized; 253,683,005 and 199,020,379 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively	2,536	1,991
Treasury stock - 45,154 and 18,000 shares at September 30, 2009 and December 31, 2008, respectively	(61)	(24)
Additional paid-in capital	392,181	307,498
Accumulated deficit	(330,330)	(309,116)
Total shareholders' equity	64,437	359
Total liabilities and shareholders' equity	$ 83,603	$ 21,764

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

OPKO Health, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except share data)

	For the three months ended September 30,		For the nine months ended September 30,	
	2009	2008	2009	2008
Revenue	$ 1,501	$ 4,050	$ 6,149	$ 7,753
Cost of goods sold	1,055	2,969	4,380	7,324
Gross margin	446	1,081	1,769	429
Operating expenses				
Selling, general and administrative	3,089	3,722	9,272	12,284
Research and development	2,805	4,913	10,962	14,748
Write-off of acquired in-process research and development	—	—	—	1,398
Other operating expenses, principally amortization of intangible assets	406	427	1,218	1,281
Total operating expenses	6,300	9,062	21,452	29,711
Operating loss	(5,854)	(7,981)	(19,683)	(29,282)
Other expense, net	(458)	(350)	(1,402)	(868)
Loss before income taxes and investment loss	(6,312)	(8,331)	(21,085)	(30,150)
Income tax benefit	(23)	(4)	(161)	(64)
Loss before investment losses in investees	(6,289)	(8,327)	(20,924)	(30,086)
Loss from investments in investee	(65)	—	(103)	—
Net loss	(6,354)	(8,327)	(21,027)	(30,086)
Preferred stock dividend	(72)	(53)	(188)	(163)
Net loss attributable to common shareholders	$ (6,426)	$ (8,380)	$ (21,215)	$ (30,249)
Loss per common share, basic and diluted	$ (0.03)	$ (0.04)	$ (0.09)	$ (0.16)
Weighted average number of common shares outstanding, basic and diluted	252,986,149	187,625,641	226,273,290	184,361,260

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

OPKO Health, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in thousands)

	For the nine months ended September 30,	
	2009	2008
Cash flows from operating activities		
Net loss	$ (21,027)	$ (30,086)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,401	1,366
Write-off of acquired in-process research and development	—	1,398
Accretion of debt discount related to notes payable	49	156
Share based compensation	3,536	5,770
Provision for bad debts	58	70
Provision for inventory obsolescence	80	130
Losses from investments in investees	103	—
Changes in:		
Accounts receivable	(448)	(460)
Inventory	(1,464)	(147)
Prepaid expenses and other current assets	184	(142)
Other assets	(167)	(152)
Accounts payable	(968)	(611)
Accrued expenses	(1,382)	1,260
Net cash used in operating activities	(20,045)	(21,448)
Cash flows from investing activities		
Acquisition of business, net of cash	—	48
Investments in investees	(4,800)	—
Purchase of marketable securities	(9,997)	—
Maturities of marketable securities	4,997	—
Capital expenditures	(75)	(284)
Net cash used in investing activities	(9,875)	(236)
Cash flows from financing activities:		
Issuance of common stock for cash, to related parties	25,000	15,000
Issuance of common stock for cash	25,990	—
Issuance of Series D preferred stock and warrants for cash, including related parties	30,000	—
Proceeds from bridge loan with related party	3,000	—
Repayment of bridge loan with related party	(3,000)	—
Insurance financing	217	327
Proceeds from the exercise of stock options and warrants	716	351
Repayments of notes payable and capital lease obligations	(290)	(2,766)
Net cash provided by financing activities	81,633	12,912
Net increase (decrease) in cash and cash equivalents	51,713	(8,772)
Cash and cash equivalents at beginning of period	6,678	23,373
Cash and cash equivalents at end of period	$ 58,391	$ 14,601
SUPPLEMENTAL INFORMATION		
Interest paid	$ 51	$ 100
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Issuance of capital stock to acquire Vidus in 2008	$ —	$ 1,319

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

NOTE 1 BUSINESS AND ORGANIZATION

We are a specialty healthcare company involved in the discovery, development, and commercialization of pharmaceutical products, medical devices, vaccines, diagnostic technologies and imaging systems. Initially focused on the treatment and management of ophthalmic diseases, we have since expanded into other areas of major unmet medical need such as oncology, infectious diseases and neurological disorders. We are a Delaware corporation, headquartered in Miami, Florida.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of only normal recurring adjustments) considered necessary to present fairly the Company's results of operations, financial position and cash flows have been made. The results of operations and cash flows for the nine months ended September 30, 2009, are not necessarily indicative of the results of operations and cash flows that may be reported for the remainder of 2009 or for future periods. The interim condensed consolidated financial statements should be read in conjunction with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2008.

In June 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC", or the "Codification") as the source of authoritative generally accepted accounting principles ("GAAP") recognized by the FASB for non-governmental entities. The Codification is effective for financial statements issued for reporting periods that end after September 15, 2009. The Codification superseded all then-existing non-Securities and Exchange Commission ("SEC") accounting and reporting standards. The Codification did not change rules and interpretations of the SEC which are also sources of authoritative GAAP for SEC registrants. Because the Codification did not change GAAP, the Codification had no impact on our consolidated financial statements or footnotes.

Principles of consolidation. The accompanying unaudited condensed consolidated financial statements as of September 30, 2009 and December 31, 2008 and for the three and nine months ended September 30, 2009 and 2008 include our accounts and our majority-owned subsidiaries. The condensed consolidated financial statements as of September 30, 2009 and December 31, 2008 include our accounts and our majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

As discussed in Note 7, we have made an investment in Cocrystal Discovery, Inc., ("Cocrystal") and determined that Cocrystal is a VIE. In general, a VIE is a corporation, partnership, limited-liability corporation, trust, or any other legal structure used to conduct activities or hold assets that either (1) has an insufficient amount of equity to carry out its principal activities without additional subordinated financial support, (2) has a group of equity owners that are unable to make significant decisions about its activities, or (3) has a group of equity owners that do not have the obligation to absorb losses or the right to receive returns generated by its operations. We have determined that we are not the primary beneficiary of Cocrystal. Refer to Note 7.

Use of estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comprehensive loss. Our comprehensive loss has no components other than net loss for all periods presented.

Revenue recognition. Generally, we recognize revenue from product sales when goods are shipped and title and risk of loss transfer to our customers. Certain of our products are sold directly to end-users and require that we deliver, install and train the staff at the end-users' facility. As a result, we do not recognize revenue until the product is delivered, installed and training has occurred. During the three months ended September 30, 2009, revenue derived from sales to two significant international customers represented approximately 17% and 10% of

our revenue, respectively. During the three months ended September 30, 2008, revenue derived from sales to three significant international customers represented 18%, 17% and 15% of our revenue, respectively. During the nine months ended September 30, 2009, revenue derived from sales to three significant international customers represented approximately 18%, 14%, and 12% of our revenue, respectively. During the nine months ended September 30, 2008, revenue derived from sales to three significant international customers represented approximately 15%, 14% and 12% of our revenue, respectively.

Product warranties. Product warranty expense is recorded concurrently with the recording of revenue for product sales. The costs of warranties are accounted for as a component of cost of sales. We estimate warranty costs based on our estimated historical experience and adjust for any known product reliability issues.

The following table reflects the amounts recorded for the three months ended September 30, 2009 and 2008.

(in thousands)	September 30, 2009	September 30, 2008
Beginning balance	$ 295	$ 226
Accrual for products sold	39	153
Settlements in kind or expired	(116)	(114)
Ending balance	$ 218	$ 265

The following table reflects the amounts recorded for the nine months ended September 30, 2009 and 2008.

(in thousands)	September 30, 2009	September 30, 2008
Beginning balance	$ 259	$ 227
Accrual for products sold	167	208
Settlements in kind or expired	(208)	(170)
Ending balance	$ 218	$ 265

Allowance for returns and doubtful accounts. Allowances for estimated sales returns are based upon our history of product returns. The amount of allowance for doubtful accounts at September 30, 2009 and December 31, 2008, was $0.4 million and $0.4 million, respectively. As of September 30, 2009, accounts receivable from two of our international distributors represented approximately 32% and 15%, respectively, of our net accounts receivable balance. As of December 31, 2008, accounts receivable from two of our international distributors represented approximately 47% and 19%, respectively, of our net accounts receivable balance.

Segment reporting. Our chief operating decision-maker ("CODM") is comprised of our executive management with the oversight of our board of directors. Our CODM reviews our operating results and operating plans and makes resource allocation decisions on a company-wide or aggregate basis. Accordingly, we have aggregated our instrumentation and pharmaceutical and device research and development activities into a single segment reporting basis. Our products are being used by and developed for retina specialists, ophthalmologists, and optometrists, among others.

Equity-Based Compensation. We account for equity-based compensation as an expense in our financial statements and such cost is measured at the fair value of the award. Equity-based compensation arrangements to non-employees are accounted for at their fair value on the measurement date. We estimate the grant-date fair value of our stock option grants using a valuation model known as the Black-Scholes-Merton formula or the "Black-Scholes Model" and allocate the resulting compensation expense over the corresponding requisite service period associated with each grant. The Black-Scholes Model requires the use of several variables to estimate the grant-date fair value of stock options including expected term, expected volatility, expected dividends and risk-free interest

rate. We perform significant analyses to calculate and select the appropriate variable assumptions used in the Black-Scholes Model. We also perform significant analyses to estimate forfeitures of equity-based awards. We adjust our forfeiture estimates on at least an annual basis based on the number of share-based awards that ultimately vest. The selection of assumptions and estimated forfeiture rates is subject to significant judgment and future changes to our assumptions and estimates may have a material impact on our consolidated financial statements. During the three and nine months ended September 30, 2009 we recorded $1.8 million and $3.5 million, respectively, of equity-based compensation expense. During the three and nine months ended September 30, 2008, we recorded $1.6 million and $5.8 million, respectively, of equity-based compensation expense. During the nine months ended September 30, 2009 and 2008, we issued 2,912,593 and 4,741,184 shares of common stock, respectively, in connection with the exercise of stock options.

Fair value. We adopted the required provisions of ASC 820-10, "Fair Value Measurements and Disclosures" (Fair Value Measurements and Disclosures Standard), as of January 1, 2008, and adopted certain deferred provisions on January 1, 2009. The Fair Value Measurements and Disclosures Standard is a technical standard which defines fair value, establishes a consistent framework for measuring fair value, and expands disclosures for each major asset and liability category measured at fair value on either a recurring or a nonrecurring basis. The Fair Value Measurements and Disclosures Standard clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. We utilize a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of September 30, 2009, we held money market funds and treasury securities, maturing December 17, 2009, that qualify as cash equivalents as well as marketable securities which were comprised of treasury securities, maturing October 22, 2009, that are required to be measured at fair value on a recurring basis. We have $10 million of treasury securities that are recorded at amortized cost, which reflects their approximate fair value. We intend to hold the treasury securities through their maturity.

In addition, the Ophthalmic Technologies Inc., or ("OTI"), put options were valued at fair value utilizing the Black-Scholes valuation method. Refer to Note 9. During the three and nine months ended September 30, 2009, we recorded a reversal of expense of $35 thousand and $0.1 million, respectively, reflecting our stock price fluctuations. During the three and nine months ended September 30, 2008, we recorded $18 thousand and $0.1 million of expense, respectively, reflecting our stock price fluctuations during that period.

Any future fluctuation in fair value related to these instruments that is judged to be temporary, including any recoveries of previous write-downs, would be recorded in accumulated other comprehensive income or loss. If we determine that any future valuation adjustment was other-than-temporary, we would record a charge to the consolidated statement of operations as appropriate.

Our financial assets and liabilities measured at fair value on a recurring basis, are as follows (in thousands):

	Fair value measurements as of September 30, 2009			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Money market funds	$ 52,625	$ —	$ —	$52,625
Treasury securities	9,999	—	—	9,999
Total assets	$ 62,624	$ —	—	$62,624
Liabilities:				
OTI put option	$ —	$ 153	$ —	$ 153
Total	$ 62,624	$ 153	$ —	$62,777

Recent accounting pronouncements. On June 30, 2009, we adopted ASC 855-10-55 "Subsequent Events — Disclosure" (Subsequent Events Standard), which established general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued. The Subsequent Events Standard defines two types of subsequent events. The effects of events or transactions that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing financial statements, are recognized in the financial statements. The effects of events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date are not recognized in the financial statements. Refer to Note 10.

In June 2009, the FASB issued Statement No. 167 (SFAS 167), Accounting for Variable Interest Entities. SFAS 167 amends FASB Interpretation No. 46(R) (FIN No. 46(R)), Consolidation of Variable Interest Entities, to require a comprehensive qualitative analysis to be performed to determine whether a holder of variable interests in a variable interest entity also has a controlling financial interest in that entity. In addition, it requires the same such analysis be applied to entities previously designated as qualified special-purpose entities under SFAS 140. SFAS 167 is effective as of the start of the first annual reporting period beginning after November 15, 2009, for interim periods within the first annual reporting period, and for all subsequent annual and interim reporting periods. We do not expect the adoption of SFAS 167 to have a material impact on our consolidated financial position, results of operations, or cash flows.

NOTE 3 LOSS PER SHARE

Basic loss per common share is computed by dividing our net loss by the weighted average number of common shares outstanding during the period. Diluted loss per common share is computed by dividing our net loss by the weighted average number of shares outstanding and the impact of all dilutive potential common shares, primarily stock options. The dilutive impact of stock options and warrants are determined by applying the "treasury stock" method.

A total of 20,998,353 and 20,139,831 potential common shares have been excluded from the calculation of net loss per common share for the three months ended September 30, 2009 and 2008, respectively, because their inclusion would be anti-dilutive. A total of 17,154,864 and 24,617,550 potential common shares have been excluded from the calculation of net loss per common share for the nine months ended September 30, 2009 and 2008, respectively, because their inclusion would be anti-dilutive. In addition, our Series A preferred stock, if converted, could be converted into 1,002,617 shares of our common stock at September 30, 2009 and our Series D preferred stock, if converted, could be converted into 12,102,146 shares of our common stock at September 30, 2009.

NOTE 4 COMPOSITION OF CERTAIN FINANCIAL STATEMENT CAPTIONS

(in thousands)	September 30, 2009	December 31, 2008
Accounts receivable, net:		
Accounts receivable	$ 1,786	$ 1,412
Less allowance for doubtful accounts	(391)	(407)
	$ 1,395	$ 1,005
Inventories, net:		
Raw materials (components)	$ 2,829	$ 2,635
Work-in process	1,512	934
Finished products	1,344	749
Less provision for inventory reserve	(238)	(255)
	$ 5,447	$ 4,063
Intangible assets, net:		
Technology	$ 4,597	$ 4,597
Customer relationships	2,978	2,978
Covenants not to compete	317	317
Tradename	195	195
Other	7	7
Less amortization	(2,976)	(1,758)
	$ 5,118	$ 6,336

NOTE 5 PRIVATE PLACEMENTS OF STOCK

Effective as of September 18, 2009, we entered into a securities purchase agreement (the "Preferred Purchase Agreement") with the private investors named therein (the "Preferred Investors"), pursuant to which the Preferred Investors agreed to purchase an aggregate of 1,209,677 shares (the " Preferred Shares") of the Company's newly-designated 8.0% Series D Cumulative Convertible Preferred Stock, par value $0.01 per share ("Series D Preferred Stock"), at a purchase price of $24.80 per share, together with warrants (the "Warrants") to purchase up to an aggregate of 3,024,196 shares of the Company's common stock, par value $.01 (the "Common Stock") at an exercise price of $2.48 per share (the "Preferred Investment"). Initially, the Series D Preferred Stock is convertible into ten shares of the Company's Common Stock, and the Preferred Shares purchase price was based on the average closing price of the Company's Common Stock as reported on the NYSE Amex for the five days preceding the execution of the Preferred Purchase Agreement. In connection with the Preferred Investment, the Company issued the Preferred Shares and received an aggregate of $30.0 million on September 28, 2009.

The Company agreed to issue the Preferred Shares and the Warrants in reliance upon the exemption from registration under Section 4(2) of the Securities Act of 1933, as amended (the "Act"). The Preferred Shares issued in the Preferred Investment, including the shares of the Company's Common Stock into which the Preferred Shares and Warrants may be converted, are "restricted securities" as that term is defined by Rule 144 under the Act, subject to a three year contractual lockup, and no registration rights have been granted.

On September 22, 2009, the Company filed with the Secretary of State of the State of Delaware a Certificate of Designation of the Powers, Preferences and Relative, Participating, Optional and Other Special Rights of 8.0% Series D Cumulative Convertible Preferred Stock, and Qualifications, Limitations and Restrictions Thereof (the "Certificate of Designation"). A summary of the Certificate of Designation is set forth below:

Dividends. Holders of the Series D Preferred Stock are entitled to receive, when, as and if declared by the Company's Board of Directors, dividends on each share of Series D Preferred Stock at a rate per annum equal to 8.0% of the sum of (a) $24.80, plus (b) any and all declared and unpaid and accrued dividends thereon, subject to adjustment for any stock split, combination, recapitalization or other similar corporate action (the "Liquidation Amount"). All dividends shall be cumulative, whether or not earned or declared, accruing on an annual basis from the issue date of the Series D Preferred Stock.

Voting. The Holders of Series D Preferred Stock have the right to receive notice of any meeting of holders of the Company's Common Stock or Series D Preferred Stock and to vote (on an as-converted into Common Stock basis)

upon any matter submitted to a vote of the holders of Common Stock or Series D Preferred Stock. Except as otherwise expressly set forth in the Company's Amended and Restated Certificate of Incorporation, as amended from time to time, the holders of Series D Preferred Stock will vote on each matter submitted to them with the holders of Common Stock and all other classes and series of the Company's capital stock entitled to vote on such matter, taken together as a single class.

Rank. With respect to dividend distributions (other than required dividends to the holders of the Company's Series A Preferred Stock) and distributions upon liquidation, winding up or dissolution of the Company, the Series D Preferred Stock ranks senior to all classes of Common Stock, the Company's Series A Preferred Stock, the Company's Series C Preferred Stock, and to each other class of the Company's capital stock existing now or hereafter created that are not specifically designated as ranking senior to or pari passu with the Series D Preferred Stock.

Liquidation Preference. Upon the occurrence of a Liquidation Event (as defined in the Certificate of Designation), holders of Series D Preferred Stock are entitled to be paid, subject to applicable law, out of the assets of the Company available for distribution to its stockholders, an amount in cash (the "Liquidation Payment") for each share of Series D Preferred Stock equal to the greater of (x) the Liquidation Amount for each such share of Series D Preferred Stock outstanding plus (i) any declared and unpaid dividends and (ii) accrued dividends or (y) the amount for each share of Series D Preferred Stock the holders would be entitled to receive pursuant to the Liquidation Event if all of the shares of Series D Preferred Stock had been converted into Common Stock as of the date immediately prior to the date fixed for determination of stockholders entitled to receive a distribution in such Liquidation Event. Such Liquidation Payment will be paid before any cash distribution will be made or any other assets distributed in respect of any class of securities junior to the Series D Preferred Stock, including, without limitation, Common Stock and the Company's Series A Preferred Stock.

Conversion. The holder of any share of Series D Preferred Stock may at any time and from time to time convert such share into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing (A) the Liquidation Amount of the share by (B) the Conversion Price, which is initially $2.48, subject to adjustment as provided in the Certificate of Designation. Initially, the Series D Preferred Stock is convertible into 10 shares of the Company's Common Stock.

Mandatory Conversion. The Company may, at any time, convert the outstanding Series D Preferred Stock into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing (A) the Liquidation Amount of the shares by (B) the Conversion Price, but only if the closing bid price of the Common Stock exceeds $5.00 per share during any thirty (30) consecutive trading days prior to each conversion. Initially, the Series D Preferred Stock is convertible into 10 shares of the Company's Common Stock.

Redemption. To the extent it is lawfully able to do so, the Company may redeem all of the then outstanding shares of Series D Preferred Stock by paying in cash an amount per share equal to $24.80 plus all declared or accrued unpaid dividends on such shares, subject to adjustment for any stock dividends or distributions, splits, subdivisions, combinations, reclassifications, stock issuances or similar events with respect to the Common Stock.

On May 26, 2009, May 29, 2009, and June 1, 2009, we entered into stock purchase agreements with a total of seven accredited investors ("Investors") pursuant to which the Investors agreed to make a $31.0 million investment in the Company in exchange for 31,000,000 shares of our Common Stock at $1.00 per share, representing a range of discounts of approximately 16-21% to the average closing price of our Common Stock on the NYSE Amex for the five trading days immediately preceding the closing date of the agreements.

On February 23, 2009, we entered into a Stock Purchase Agreement with Frost Gamma Investments Trust (the "Gamma Trust"), of which Phillip Frost, M.D., our Chairman and CEO, is the sole trustee, pursuant to which the Gamma Trust agreed to make a $20.0 million cash investment in the Company in exchange for 20,000,000 shares (the "Shares") of our Common Stock, at $1.00 per share, representing an approximately 20% discount to the average closing price of our Common Stock on the NYSE Amex for the five trading days immediately preceding the effective date of Audit Committee and stockholder approval of the transaction. We issued the Shares and received the proceeds on April 27, 2009.

NOTE 6 PROMISSORY NOTE

On March 4, 2009, the Gamma Trust advanced $3.0 million to us pursuant to a Promissory Note we issued to the Gamma Trust (the "Note"). The entire amount of this advance and all accrued interest thereon was due and payable

on the earlier of May 4, 2009, or such earlier date following the closing of the stock purchase transaction with the Gamma Trust discussed in Note 5. The Note bears interest at a rate equal to 11% per annum and may be prepaid in whole or in part without penalty or premium. We repaid the Note and $48 thousand of interest on April 27, 2009.

NOTE 7 INVESTMENTS IN BIOTECHNOLOGY COMPANIES

On June 10, 2009, we entered into a stock purchase agreement with Sorrento Therapeutics, Inc. ("Sorrento"), a privately held company with a technology for generating fully human monoclonal antibodies, pursuant to which we invested $2.3 million in Sorrento. In exchange for the investment, we acquired approximately one-third of the outstanding common shares of Sorrento and received a fully-paid, exclusive license to the Sorrento antibody library for the discovery and development of therapeutic antibodies in the field of ophthalmology. On September 21, 2009, QuikByte Software, Inc., a Colorado corporation ("Quikbyte"), acquired Sorrento pursuant to a Merger Agreement dated July 14, 2009 (the "Merger Agreement") by and among QuikByte, Sorrento, and certain other parties named therein. At the effective time of the Merger (the "Merger"), all of the issued and outstanding shares of Sorrento common stock (the "Sorrento Shares") were converted into the right to receive shares of QuikByte common stock, par value $0.0001 per share (the "QuikByte Common Stock").

On September 18, 2009, QuikByte entered into a Stock Purchase Agreement (the "QuikByte Stock Purchase Agreement") with investors (the "QuikByte Investors") pursuant to which QuikByte received an aggregate investment of $2.0 million in exchange for shares of QuikByte Common Stock (the "QuikByte Financing"). The QuikByte Investors included Dr. Phillip Frost, our Chairman and Chief Executive Officer, and other members of OPKO management. Upon completion of the Merger, after giving effect to the QuikByte Financing, OPKO owned approximately 53,113,732 shares of QuikByte Common Stock, or approximately 24% of QuikByte's total outstanding common stock at September 30, 2009. The closing stock price for QuickByte, a thinly traded stock, as quoted on the over-the-counter markets was $0.50 per share.

Effective September 21, 2009, the Company entered into an agreement pursuant to which the Company invested $2.5 million in Cocrystal Discovery, Inc., a privately held biopharmaceutical company ("Cocrystal") in exchange for 1,701,723 shares of Cocrystal's Convertible Series A Preferred Stock. A group of investors led by The Frost Group, LLC (the "Frost Group"), whose members include the Gamma Trust, Jane Hsiao, the Company's Vice Chairman and Chief Technical Officer, Steven D. Rubin, the Company's Executive Vice President — Administration and a director, and Rao Uppaluri, the Company's Chief Financial Officer (the "Frost Investors"), previously invested $5 million in Cocrystal, and agreed to invest an additional $5 million payable in two equal installments in September 2009 and March 2010. As a result of an amendment to the Frost Investor agreements dated June 9, 2009, OPKO, rather than the Frost Investors, made the first installment investment ($2.5 million) on September 21, 2009. Following the first investment, the members of the Frost Group owned a total of 2,948,645 shares of Cocrystal, representing 33.65% of Cocrystal's voting stock on an as converted basis and the Gamma Trust owned a majority of those shares, owning 2,768,257 shares. Following the final installment investment of $2.5 million in Cocrystal by the Frost Investors in or around March 2010, the Company will own approximately 16% of Cocrystal and members of the Frost Group will own approximately 4,422,967 shares, representing 42% of Cocrystal's voting stock on an as converted basis, including 4,152,386 held by the Gamma Trust. Dr. Frost, Mr. Rubin, and Dr. Hsiao currently serve on the Board of Directors of Cocrystal and represent 50% of its board.

We have determined that Cocrystal has insufficient resources to carry out its principal activities without additional subordinated financial support. As such, Cocrystal meets the definition of a VIE. In order to determine the primary beneficiary of the VIE, we evaluated the related party group to identify who had the most significant power to control Cocrystal. The Gamma Trust holds in excess of 32% of the voting stock of Cocrystal on a fully diluted basis as of the date of our investment and after the March 2010 investment by the Frost Investors, will hold in excess of 42% of the voting stock. In addition, the Gamma Trust influenced the redesign of Cocrystal and can significantly influence the success of Cocrystal through its board representation and voting power. As such, we have determined that the Gamma Trust is the primary beneficiary within the related party group. As a result of our determination that we are not the primary beneficiary, we have accounted for our investment in Cocrystal under the equity method.

NOTE 8 RELATED PARTY TRANSACTIONS

On September 18, 2009, we entered into a securities purchase agreement with various investors. Refer to Note 5. Included among the investors is the Gamma Trust, Hsu Gamma Investment, L.P, a limited partnership controlled by Jane H. Hsiao, the Company's Vice Chairman and Chief Technical Officer, and Oracle Partners LP, a limited partnership in which Dr. Frost is a limited partner.

On June 16, 2009, we entered into an agreement to lease approximately 10,000 square feet of space in Hialeah, Florida to house manufacturing and service operations for our ophthalmic instrumentation business (the "Hialeah Facility") from an entity controlled by Dr. Frost and Dr. Jane Hsiao. Pursuant to the terms of a lease agreement, which is effective as of February 1, 2009, we anticipate paying gross rent of $0.1 million per year for a one-year lease which may be extended, at our option, for one additional year. From April 2008 through January 2009, we leased 20,000 square feet at the Hialeah Facility from a third party landlord pursuant to a lease agreement which contained an option to purchase the facility. We initially elected to exercise the option to purchase the Hialeah Facility in September 2008. Prior to closing, however, we assigned the right to purchase the Hialeah Facility to an entity controlled by Drs. Frost and Hsiao and leased back a smaller portion of the facility as a result of several factors, including our inability to obtain outside financing for the purchase, current business needs, the reduced operating costs for the smaller space, and the minimization of risk and expense of unutilized space.

On June 10, 2009, we entered into a stock purchase agreement with Sorrento, pursuant to which we invested $2.3 million in Sorrento. In exchange for the investment, we acquired approximately one-third of the outstanding common shares of Sorrento and received a fully-paid, exclusive license to the Sorrento antibody library for the discovery and development of therapeutic antibodies in the field of ophthalmology. Refer to Note 7. Dr. Richard Lerner, a member of our Board of Directors, serves as a consultant and scientific advisory board member to Sorrento and owns less than one percent of its shares.

Effective September 21, 2009, the Company entered into an agreement pursuant to which the Company invested $2.5 million in Cocrystal in exchange for 1,701,723 shares of Cocrystal's Series A Preferred Stock. The Frost Investors, led by the Frost Group, previously invested $5 million in Cocrystal, and agreed to invest an additional $5 million payable in two equal installments in September 2009 and March 2010. As a result of an amendment to the Frost Investor agreements dated June 9, 2009, OPKO, rather than the Frost Investors, made the first installment investment ($2.5 million) on September 21, 2009. Refer to Note 7.

On July 20, 2009, the Company entered into a worldwide exclusive license agreement with Academia Sinica in Taipei, Taiwan, for a new technology to develop protein vaccines against influenza and other viral infections. Dr. Alice Yu, a member of our board of directors, is a Distinguished Research Fellow and Associate Director at the Genomics Research Center, Academia Sinica.

On May 26, 2009, May 29, 2009, and June 1, 2009, we entered into stock purchase agreements with a total of seven accredited investors pursuant to which we agreed to sell an aggregate of 31 million shares of the Company's Common Stock in exchange for $31 million. Under the terms of each investment, OPKO issued shares to the investors at a price of $1.00 per Share. Refer to Note 5. Oracle Partners, LP and Vector Group Ltd. were among the investors in the transaction and purchased 4 million and 5 million shares of our Common Stock, respectively. Dr. Frost is a limited partner in Oracle Partners LP. Dr. Frost may also be deemed to beneficially own 11.5% of Vector Group Ltd.'s outstanding stock.

On March 4, 2009, the Gamma Trust advanced $3.0 million to us under a Promissory Note we issued to the Gamma Trust, which was repaid in full on April 27, 2009. Refer to Note 6.

In March 2009, we paid the $45 thousand filing fee to the Federal Trade Commission in connection with filings made by us and Dr. Frost, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR"). The filings permitted Dr. Frost and his affiliates to acquire additional shares of our Common Stock upon expiration of the HSR waiting period on March 23, 2009.

On February 23, 2009, we entered into a Stock Purchase Agreement with the Gamma Trust, of which Dr Frost is the sole trustee. Refer to Note 5.

In November 2007, we entered into an office lease with Frost Real Estate Holdings, LLC, an entity affiliated with Dr. Frost. The lease is for approximately 8,300 square feet of space in an office building in Miami, Florida, where the Company's principal executive offices are located. The lease provides for payments of approximately $0.3 million during 2009. The rent is inclusive of operating expenses, property taxes and parking.

We reimburse Dr. Frost for Company-related use by Dr. Frost and our other executives of an airplane owned by a company that is beneficially owned by Dr. Frost. We reimburse Dr. Frost in an amount equal to the cost of a first class airline ticket between the travel cities for each executive, including Dr. Frost, traveling on the airplane for Company-related business. We do not reimburse Dr. Frost for personal use of the airplane by Dr. Frost or any other executive; nor do we pay for any other fixed or variable operating costs of the airplane. During the three and nine

months ended September 30, 2009, we recorded general and administrative expenses of approximately $9 thousand and $55 thousand, respectively, for Company-related travel by Dr. Frost and other OPKO executives. For the comparable periods of 2008, we recorded approximately $5 thousand and $91 thousand of general and administrative expense.

We have a fully utilized $12.0 million line of credit with the Frost Group. The Frost Group members include a trust controlled by Dr. Frost, Dr. Jane H. Hsiao, our Vice Chairman of the board of directors and Chief Technical Officer, Steven D. Rubin, is Executive Vice President — Administration and a director of the Company, and Rao Uppaluri, the Chief Financial Officer of the Company. We are obligated to pay interest upon maturity, compounded quarterly, on outstanding borrowings under the line of credit at an 11% annual rate, which is due January 11, 2011. The line of credit is collateralized by all of our personal property except our intellectual property.

On September 19, 2007, we entered into an exclusive technology license agreement with Winston Laboratories, Inc. ("Winston"). Subsequent to our entering into the license agreement with Winston, on November 13, 2007, a group of investors led by the Frost Group, made an investment in Winston. Currently, the group of investors, led by Dr. Frost, Dr. Hsiao, Mr. Rubin and Dr. Uppaluri, beneficially own approximately 30% of Winston Pharmaceuticals, Inc., and Mr. Uppaluri has served as a member of Winston's board of directors since September 2008.

NOTE 9 COMMITMENTS AND CONTINGENCIES

On May 7, 2007, Ophthalmic Imaging Systems, or OIS, sued Steven Verdooner, its former president and our then Executive Vice President, Instrumentation, in California Superior Court for the County of Sacramento. OIS later amended its complaint to add claims against the Company and The Frost Group, LLC alleging breach of fiduciary duty, intentional interference with contract and intentional interference with prospective economic advantage. Trial in the matter was scheduled to commence on April 28, 2009. In order to avoid the expense and uncertainty of litigation, and without making any admission of wrongdoing or liability, we entered into a settlement agreement to fully and finally resolve the lawsuit on May 4, 2009. The impact of the settlement was not material to the Company.

We are a party to other litigation in the ordinary course of business. We do not believe that any such litigation will have a material adverse effect on our business, financial condition, or results of operations.

In the event of a termination of an existing employee of OTI, we would become obligated at such employee's sole option to acquire up to 10% of the shares issued to the employee in connection with the acquisition of OTI at a price of $3.55 per share. In connection with the potential obligation, we have recorded approximately $0.2 million in accrued expenses as of September 30, 2009, based on the estimated fair value of the unexercised put option.

On May 6, 2008, we completed the acquisition of Vidus Ocular, Inc., or Vidus. Pursuant to a Securities Purchase Agreement with Vidus, each of its stockholders, and the holders of convertible promissory notes issued by Vidus, we acquired all of the outstanding stock and convertible debt of Vidus in exchange for (i) the issuance and delivery at closing of 658,080 shares of our Common Stock (the "Closing Shares"); (ii) the issuance of 488,420 shares of our Common Stock to be held in escrow pending the occurrence of certain development milestones (the "Milestone Shares"); and (iii) the issuance of options to acquire 200,000 shares of our Common Stock. Additionally, in the event that the stock price for our Common Stock at the time of receipt of approval or clearance by the U.S. Food & Drug Administration of a pre-market notification 510(k) relating to the Aquashunt™ is not at or above a specified price, we will be obligated to issue an additional 413,850 shares of our Common Stock.

We expect to incur losses from operations for the foreseeable future. We expect to incur substantial research and development expenses, including expenses related to the hiring of personnel and additional clinical trials. We expect that selling, general and administrative expenses will also increase as we expand our sales, marketing and administrative staff and add infrastructure. We intend to finance additional research and development projects, clinical trials and our future operations with a combination of private placements, payments from potential strategic research and development, licensing and/or marketing arrangements, public offerings, debt financing and revenues from future product sales, if any. There can be no assurance, however, that additional capital will be available to us on acceptable terms, or at all.

NOTE 10 SUBSEQUENT EVENTS

On October 12, 2009, we entered into an asset purchase agreement (the "Schering Agreement") with Schering-Plough Corporation ("Schering") to acquire assets relating to Schering's neurokinin-1 ("NK-1") receptor antagonist

program. Under the terms of the Schering Agreement, we will pay Schering $2 million in cash upon closing and up to an additional $27 million upon certain development milestones. Rolapitant, the lead product in the NK-1 program, recently completed Phase II clinical testing for prevention of nausea and vomiting related to cancer chemotherapy and surgery, and other indications. Phase I clinical testing has also been initiated for a second compound in the same class.

In connection with its merger with Merck & Co., Inc., which closed on November 3, 2009 (the "Merger"), Schering determined to divest its oral and intravenous formulations of rolapitant and other assets in its NK-1 program. Closing of the transaction between OPKO and Schering is expected to occur during the fourth quarter of this year.

On October 1, 2009, we entered into a definitive agreement to acquire Pharma Genexx S.A. ("Pharma Genexx"), a privately-owned Chilean company engaged in the representation, importation, commercialization and distribution of pharmaceutical products, over-the-counter products and medical devices for government, private and institutional markets. Pursuant to a stock purchase agreement with Pharma Genexx and its shareholders, Farmacias Ahumada S.A., FASA Chile S.A., and Laboratorios Volta S.A., we acquired all of the outstanding stock of Pharma Genexx in exchange for US$16 million in cash. A portion of the proceeds will remain in escrow for a period of time to satisfy indemnification claims. Closing of the transaction occurred on October 7, 2009.

We have reviewed all subsequent events and transactions that occurred after our September 30, 2009 unaudited condensed consolidated balance sheet date as of November 6, 2009, through the time of filing this Quarterly Report on Form 10-Q on November 6, 2009.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

You should read this discussion together with the condensed consolidated financial statements, related Notes, and other financial information included elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2008 (the "Form 10-K"). The following discussion contains assumptions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under "Risk Factors," in Part II, Item 1A of our Form 10-K for the year ended December 31, 2008. These risks could cause our actual results to differ materially from those anticipated in these forward-looking statements.

We are a specialty healthcare company involved in the discovery, development, and commercialization of pharmaceutical products, medical devices, vaccines, diagnostic technologies and imaging systems. Initially focused on the treatment and management of ophthalmic diseases, we have since expanded into other areas of major unmet medical need such as oncology, infectious diseases and neurological disorders. We actively explore opportunities to acquire complementary pharmaceuticals, compounds, and technologies, which could, individually or in the aggregate, materially increase the scale of our business. We also intend to continue exploring strategic opportunities in medical markets that would allow us to benefit from our business and global distribution expertise.

We expect to incur substantial losses as we continue the development of our product candidates and establish a sales and marketing infrastructure in anticipation of the commercialization of our product candidates. We currently have limited commercialization capabilities, and it is possible that we may never successfully commercialize any of our pharmaceutical product candidates. To date, we have devoted a significant portion of our efforts towards research and development. As of September 30, 2009, we had an accumulated deficit of $330.3 million. Since we do not generate revenue from any of our pharmaceutical product candidates and have only generated limited revenue from our instrumentation business, we expect to continue to generate losses in connection with the research and development activities relating to our product candidates and other technologies. Such research and development activities are budgeted to expand over time and will require further resources if we are to be successful. As a result, we believe that our operating losses are likely to be substantial over the next several years. We will need to obtain additional funds to further develop our research and development programs, and there can be no assurance that additional capital will be available to us on acceptable terms, or at all.

RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

Revenue. Revenue for the three months ended September 30, 2009, was $1.5 million, compared to $4.1 million for the comparable 2008 period. Revenue for the three months ended September 30, 2009 was negatively impacted by decreased sales prices of our OPKO Spectral OCT SLO™ ("OCT/SLO") product and decreased unit volume. In addition, results for the 2008 period reflect unit shipments in the ordinary course, as well as the fulfillment of orders received, but not shipped during the second quarter of 2008. During the second quarter of 2008, we chose to halt shipment of product while we addressed a warning letter we received from the U.S. Food and Drug Administration.

Gross margin. Gross margin for the three months ended September 30, 2009, was $0.4 million compared to a gross margin of $1.1 million for the comparable period of 2008. Gross margin declined for the three months ended September 30, 2009, as compared to the same period in 2008 as a result of the decrease in sales volume during the 2009 period. Gross margin as a percent of sales improved slightly in the 2009 period.

Selling, general and administrative expense. Selling, general and administrative expense for the three months ended September 30, 2009, was $3.1 million compared to $3.7 million of expense for the comparable period of 2008. Selling, general and administrative expenses during the three months ended September 30, 2009 and 2008, primarily include personnel expenses, including equity-based compensation expense of $0.8 million and $0.9 million, respectively, and professional fees. The decrease in selling, general and administrative expenses primarily reflects decreased personnel costs and sales commissions to our international distributors.

Research and development expense. Research and development expense during the three months ended September 30, 2009, was $2.8 million compared to $4.9 million for the comparable period of 2008. The decrease for the three months ended September 30, 2009, primarily reflects the decision in March 2009 to terminate the Phase

III clinical trial for bevasiranib. All site close-out activities were completed during the second quarter of 2009 and all activities for the Phase III trial were completed during the third quarter of 2009. The decrease in research and development expense in the 2009 period as a result of the clinical trial shut down was partially offset by increased costs relating to the Aquashunt™ clinical trial which began in the first quarter of 2009 and ongoing development costs for our ophthalmic instrumentation business, which are primarily personnel-related expenses. The 2008 period primarily reflects the cost of our Phase III clinical trial for bevasiranib, including costs of clinical trial site and monitoring expenses, personnel costs and outside professional fees. The amount for the three months ended September 30, 2009, includes equity-based compensation expense of $1.0 million, compared to the 2008 period which includes $0.7 million of equity-based compensation expense.

Other operating expenses. Other operating expenses primarily include amortization of our intangible assets acquired from OTI.

Other income and expenses. Other expense was $0.5 million for the first three months of 2009 compared to $0.4 million for the 2008 period. Other income primarily consists of interest earned on our cash and cash equivalents and interest expense reflects the interest incurred on our line of credit. As a result of reduced interest rates during the three months ended September 30, 2009, interest earned decreased significantly.

Income taxes. Income tax benefit for the three months ended September 30, 2009 and 2008, reflects a Canadian provincial tax credit that is refundable once we file our tax return. This credit relates to research and development expenses incurred at our OTI locations.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

Revenue. Revenue for the nine months ended September 30, 2009, was $6.1 million, compared to $7.8 million for the comparable 2008 period. The decrease in revenue for the nine months ended September 30, 2009, as compared to the first nine months of 2008 is the result of a decrease in the average sales price of our OCT/SLO product and a slight decrease in the number of units shipped. We believe revenue for the nine months ended September 30, 2009, was also impacted by our limited participation at tradeshows during 2008 while we focused on enhancing the product and our manufacturing processes. We began marketing and selling our OCT/SLO product in the U.S. at the beginning of 2009.

Gross margin. Gross margin for the nine months ended September 30, 2009, was $1.8 million compared to gross margin of $0.4 million for the comparable period of 2008. Gross margin for the nine months ended September 30, 2009, improved as a result of the cost reduction initiatives we began implementing in 2008 to reduce our costs associated with the OCT/SLO product. During the first half of 2008, we changed a number of suppliers and processes related to our OCT/SLO product which resulted in lower manufacturing costs, resulting in higher gross margins on that product during the second half of 2008 and the first nine months of 2009. During the nine months ended September 30, 2008, we incurred approximately $0.9 million in expense related to production development including bringing a portion of the manufacturing process for our OCT/SLO product in-house.

Selling, general and administrative expense. Selling, general and administrative expense for the nine months ended September 30, 2009, was $9.3 million compared to $12.3 million of expense for the comparable period of 2008. Selling, general and administrative expenses during the first nine months of 2009 and 2008, primarily include personnel expenses, including equity-based compensation expense of $2.3 million and $3.8 million, respectively, and professional fees. The decrease in selling, general and administrative expenses primarily reflects decreased personnel costs, including severance and approximately $1.4 million related to the acceleration of vesting for stock options in connection with the termination of certain employees in 2008. In addition, there were decreased sales commissions to our international distributors in the nine months of 2009. Partially offsetting these decreases was an increase in professional fees during the nine months ended September 30, 2009, as compared to the 2008 period. We anticipate selling, general and administrative expenses will increase during the remainder of 2009 while we increase our sales and marketing activities to promote and support our OCT/SLO product, including the launch costs in the U.S. and participation in additional tradeshows in the U.S. and internationally.

Research and development expense. Research and development expense during the nine months ended September 30, 2009, was $11.0 million compared to $14.7 million for the comparable period of 2008. The decrease for the nine months ended September 30, 2009, primarily reflects the decrease in activity of the Phase III clinical trial for bevasiranib which was terminated in March 2009. The 2008 period primarily reflects the cost of our Phase III clinical trial for bevasiranib, including costs of clinical trial site and monitoring expenses, personnel costs and outside professional fees. The decrease in research and development expense also reflects the decrease in personnel

costs, including equity-based compensation partially offset by increased costs relating to the Aquashunt™ clinical trial which began in the first quarter of 2009 and ongoing development costs for our ophthalmic instrumentation business, which are primarily personnel-related expenses. The amount for the nine months ended September 30, 2009, includes equity-based compensation expense of $1.2 million, compared to the 2008 period which includes $1.9 million of equity-based compensation expense. The amount for the 2009 period includes the shutdown costs of the trial, including transitioning patients from the trial onto the standard of care therapy and the costs of analyzing the data collected and performing statistical analysis.

Write-off of Acquired In-Process Research and Development. On May 6, 2008, we acquired Vidus, a privately held company that is developing Aquashunt™, for the treatment of glaucoma, in a stock for stock transaction. We recorded the assets and liabilities at fair value, and as a result, we recorded acquired in-process research and development expense and recorded a charge of $1.4 million. We did not have any such activity during the nine months ended September 30, 2009.

Other operating expenses. Other operating expenses primarily include amortization of our intangible assets acquired from OTI.

Other income and expenses. Other expense was $1.4 million for the first nine months of 2009 compared to $0.9 million, net of $0.3 million of interest income for the comparable 2008 period. Other income primarily consists of interest earned on our cash and cash equivalents and interest expense reflects the interest incurred on our line of credit. As a result of reduced interest rates, interest earned during the nine months ended September 30, 2009, decreased significantly.

Income taxes. Income tax benefit for the nine months ended September 30, 2009 and 2008, reflects a Canadian provincial tax credit that is refundable once we file our tax return. This credit relates to research and development expenses incurred at our OTI locations.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2009, we had cash, cash equivalents and marketable securities of approximately $63.4 million compared to $6.7 million on December 31, 2008. Cash used in operations during 2009 primarily reflects payment of liabilities related to the Phase III clinical trial for bevasiranib and related shut down expenses of that trial, as well as selling, general and administrative activities related to our corporate and instrumentation operations. Since our inception, we have not generated significant gross margins to offset our operating and other expenses and our primary source of cash has been from the private placement of stock and through credit facilities available to us.

On October 7, 2009, we closed on the acquisition of Pharma Genexx S.A., a privately-owned Chilean company engaged in the representation, importation, commercialization and distribution of pharmaceutical products, over-the-counter products and medical devices for government, private and institutional markets for US$16 million in cash.

Effective September 21, 2009, the Company entered into an agreement pursuant to which the Company invested $2.5 million in Cocrystal Discovery, Inc., a privately held biopharmaceutical company ("Cocrystal") in exchange for 1,701,723 shares of Cocrystal's Series A Preferred Stock.

On September 18, 2009, we entered into a securities purchase agreement (the "Preferred Purchase Agreement") with the private investors named therein (the "Preferred Investors"), pursuant to which the Preferred Investors agreed to purchase an aggregate of 1,209,677 shares (the "Preferred Shares") of the Company's newly-designated 8.0% Series D Cumulative Convertible Preferred Stock, par value $0.01 per share ("Series D Preferred Stock"), at a purchase price of $24.80 per share, together with warrants (the "Warrants") to purchase up to an aggregate of 3,024,196 shares of the Company's common stock, par value $.01 (the "Common Stock") at an exercise price of $2.48 per share (the "Preferred Investment"). Initially, the Series D Preferred Stock is convertible into ten shares of the Company's Common Stock, and the Preferred Shares purchase price was based on the average closing price of the Company's Common Stock as reported on the NYSE Amex for the five days preceding the execution of the Preferred Purchase Agreement. In connection with the Preferred Investment, the Company issued the Preferred Shares on September 28, 2009.

On May 26, 2009, May 29, 2009, and June 1, 2009, we entered into stock purchase agreements with a total of seven accredited investors ("Investors") pursuant to which the Investors agreed to make a $31.0 million investment in the Company in exchange for 31,000,000 shares of our Common Stock, par value $.01 (the "Shares"), at $1.00 per share.

On March 4, 2009, Frost Gamma Investments Trust (the "Gamma Trust"), of which Phillip Frost, M.D., our Chairman and CEO, is the sole trustee, advanced $3.0 million to us under a Promissory Note we issued to the Gamma Trust (the "Note"). The entire amount of this Note and all accrued interest thereon was due and payable on May 4, 2009 or such earlier date following the closing of the transaction contemplated by the Stock Purchase Agreement with the Gamma Trust, dated February 23, 2009. The Note bears interest at a rate equal to 11% per annum and may be prepaid in whole or in part without penalty or premium. We repaid the Note in full, plus accrued interest of $48 thousand on April 27, 2009.

On February 23, 2009, we entered into a stock purchase agreement with the Gamma Trust pursuant to which the Gamma Trust agreed to make a $20.0 million investment in exchange for 20,000,000 shares of our common stock, par value $.01 (the "Shares"), at $1.00 per share, representing an approximately 20% discount to the average closing price of our common stock on the NYSE Amex exchange for the five trading days immediately preceding the effective date of Audit Committee and stockholder approval of the transaction. We issued the Shares and received the proceeds of $20.0 million on April 27, 2009.

We have a fully-drawn $12.0 million line of credit with the Frost Group, a related party. We are obligated to pay interest upon maturity, compounded quarterly, on outstanding borrowings under the line of credit at an 11% annual rate, which is due January 11, 2011. The line of credit is collateralized by all of our personal property except our intellectual property.

We expect to incur losses from operations for the foreseeable future. We expect to incur substantial research and development expenses, including expenses related to the hiring of personnel and additional clinical trials. We expect that selling, general and administrative expenses will also increase as we expand our sales, marketing and administrative staff and add infrastructure.

We believe the cash and cash equivalents on hand at September 30, 2009, are sufficient to meet our anticipated cash requirements for operations and debt service for the next 12 months. We based this estimate on assumptions that may prove to be wrong or are subject to change, and we may be required to use our available cash resources sooner than we currently expect. If we acquire additional assets or companies, accelerate our product development programs or initiate additional clinical trials, we will need additional funds. Our future cash requirements will depend on a number of factors, including possible acquisitions, the continued progress of our research and development of product candidates, the timing and outcome of clinical trials and regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending, and enforcing patent claims, and other intellectual property rights, the status of competitive products, the availability of financing, and our success in developing markets for our product candidates. If we are not able to secure additional funding when needed, we may have to delay, reduce the scope of, or eliminate one or more of our clinical trials or research and development programs.

We intend to finance additional research and development projects, clinical trials, and our future operations with a combination of private placements, payments from potential strategic research and development, licensing and/or marketing arrangements, public offerings, debt financing, and revenues from future product sales, if any. There can be no assurance, however, that additional capital will be available to us on acceptable terms, or at all.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Accounting Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Equity-based compensation. We recognize equity based compensation as an expense in our financial statements and that such cost is measured at the fair value of the award. Equity-based compensation arrangements to non-employees are recorded at their fair value on the measurement date. We estimate the grant-date fair value of our stock option grants using a valuation model known as the Black-Scholes-Merton formula or the "Black-Scholes Model" and allocate the resulting compensation expense over the corresponding requisite service period associated with each grant. The Black-Scholes Model requires the use of several variables to estimate the grant-date fair value of stock options including expected term, expected volatility, expected dividends and risk-free interest rate. We perform significant analyses to calculate and select the appropriate variable assumptions used in the Black-Scholes Model. We also perform significant analyses to estimate forfeitures of equity-based awards. We are required to adjust our forfeiture estimates on at least an annual basis based on the number of share-based awards that ultimately vest. The selection of assumptions and estimated forfeiture rates is subject to significant judgment and future changes to our assumptions and estimates may have a material impact on our Consolidated Financial Statements.

Goodwill and intangible assets. The allocation of the purchase price for acquisitions requires extensive use of accounting estimates and judgments to allocate the purchase price to the identifiable tangible and intangible assets acquired, including in-process research and development, and liabilities assumed based on their respective fair values. Additionally, we must determine whether an acquired entity is considered to be a business or a set of net assets, because a portion of the purchase price can only be allocated to goodwill in a business combination.

Appraisals inherently require significant estimates and assumptions, including but not limited to, determining the timing and estimated costs to complete the in-process R&D projects, projecting regulatory approvals, estimating future cash flows, and developing appropriate discount rates. We believe the estimated fair values assigned to the Vidus assets acquired and liabilities assumed are based on reasonable assumptions. However, the fair value estimates for the purchase price allocation may change during the allowable allocation period, which is up to one year from the acquisition date, if additional information becomes available that would require changes to our estimates.

Allowance for doubtful accounts and revenue recognition. Generally, we recognize revenue from product sales when goods are shipped and title and risk of loss transfer to our customers. Certain of our products are sold directly to end-users and require that we deliver, install and train the staff at the end-users' facility. As a result, we do not recognize revenue until the product is delivered, installed and training has occurred. Return policies in certain international markets for our medical device products provide for stringent guidelines in accordance with the terms of contractual agreements with customers. Our estimates for sales returns are based upon the historical patterns of products returned matched against the sales from which they originated, and management's evaluation of specific factors that may increase the risk of product returns. The allowance for doubtful accounts recognized in our consolidated balance sheets at September 30, 2009 and December 31, 2008 was $0.4 million and $0.4 million, respectively.

Recent accounting pronouncements: On June 30, 2009, we adopted ASC 855-10-50 "Subsequent Events — Disclosure" (Subsequent Events Standard), which established general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued. The Subsequent Events Standard defines two types of subsequent events. The effects of events or transactions that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing financial statements, are recognized in the financial statements. The effects of events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date are not recognized in the financial statements.

In June 2009, the FASB issued Statement No. 167 (SFAS 167), Accounting for Variable Interest Entities. SFAS 167 amends FASB Interpretation No. 46(R) (FIN No. 46(R)), Consolidation of Variable Interest Entities, to require a comprehensive qualitative analysis to be performed to determine whether a holder of variable interests in a variable interest entity also has a controlling financial interest in that entity. In addition, it requires the same such analysis be applied to entities previously designated as qualified special-purpose entities under SFAS 140. SFAS 167 is effective as of the start of the first annual reporting period beginning after November 15, 2009, for interim

periods within the first annual reporting period, and for all subsequent annual and interim reporting periods. We do not expect the adoption of SFAS 167 to have a material impact on our consolidated financial position, results of operations, or cash flows.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of doing business, we are exposed to the risks associated with foreign currency exchange rates and changes in interest rates. We do not engage in trading market risk sensitive instruments or purchasing hedging instruments or "other than trading" instruments that are likely to expose us to significant market risk, whether interest rate, foreign currency exchange, commodity price, or equity price risk.

Our exposure to market risk relates to our cash and investments and to our borrowings. We maintain an investment portfolio of money market funds and treasury securities. The securities in our investment portfolio are not leveraged, and are, due to their very short-term nature, subject to minimal interest rate risk. We currently do not hedge interest rate exposure. Because of the short-term maturities of our investments, we do not believe that a change in market interest rates would have a significant negative impact on the value of our investment portfolio except for reduced income in a low interest rate environment. At September 30, 2009, we had cash, cash equivalents and marketable securities of $63.4 million. The weighted average interest rate related to our cash and cash equivalents for the nine months ended September 30, 2009 was 0.1%. As of September 30, 2009, the principal value of our credit line was $12.0 million, which bears a weighted average interest rate of 11.0% as of September 30, 2009.

The primary objective of our investment activities is to preserve principal while at the same time maximizing yields without significantly increasing risk. To achieve this objective, we invest our excess cash in debt instruments of the U.S. Government and its agencies, bank obligations, repurchase agreements and high-quality corporate issuers, and money market funds that invest in such debt instruments, and, by policy, restrict our exposure to any single corporate issuer by imposing concentration limits. To minimize the exposure due to adverse shifts in interest rates, we maintain investments at an average maturity of generally less than one month.

Item 4. Controls and Procedures

The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Securities and Exchange Commission ("SEC") Rule 13a-15(e) as of September 30, 2009. Based on that evaluation, the Company's CEO and CFO have concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

There have been no changes to the Company's internal control over financial reporting that occurred during the Company's third quarter of 2009 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes from the risk factors as previously disclosed in the Item 1A of the Company Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Refer to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 24, 2009.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits.

Exhibit 2.1(1)	Merger Agreement and Plan of Reorganization, dated as of March 27, 2007, by and among Acuity Pharmaceuticals, Inc., Froptix Corporation, eXegenics, Inc., e-Acquisition Company I-A, LLC, and e-Acquisition Company II-B, LLC.
Exhibit 2.2(4)+	Securities Purchase Agreement dated May 2, 2008, among Vidus Ocular, Inc., OPKO Instrumentation, LLC, OPKO Health, Inc., and the individual sellers and noteholders named therein.
Exhibit 3.1(2)	Amended and Restated Certificate of Incorporation.
Exhibit 3.2(3)	Amended and Restated By-Laws.
Exhibit 3.3(5)	Certificate of Designation of Series D Preferred Stock
Exhibit 4.1(1)	Form of Common Stock Warrant.
Exhibit 4.2(5)	Form of Warrant to Purchase Shares of Common Stock.
Exhibit 10.1(5)	Form of Securities Purchase Agreement Series D Preferred Stock.
Exhibit 10.2	Form of Restricted Share Award Agreement (Director).
Exhibit 10.3	Cocrystal Discovery, Inc. Agreements.
Exhibit 31.1	Certification by Phillip Frost, Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2009.
Exhibit 31.2	Certification by Rao Uppaluri, Chief Financial Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2009.
Exhibit 32.1	Certification by Phillip Frost, Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2009.

Exhibit 32.2	Certification by Rao Uppaluri, Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2009.

+ Certain confidential material contained in the document has been omitted and filed separately with the Securities and Exchange Commission.

(1) Filed with the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 2, 2007, and incorporated herein by reference.

(2) Filed with the Company's Current Report on Form 8-A filed with the Securities and Exchange Commission on June 11, 2007, and incorporated herein by reference.

(3) Filed with the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2008 and incorporated herein by reference.

(4) Filed with the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 8, 2008 for the Company's three-month period ended June 30, 2008, and incorporated herein by reference.

(5) Filed with the Company's Current Report on Form 8-K files with the Securities and Exchange Commission on September 24, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 6, 2009

OPKO Health, Inc.

/s/ Adam Logal
Adam Logal
Executive Director of Finance, Chief Accounting Officer and Treasurer

Exhibit Index

Exhibit Number	Description
Exhibit 10.2	Form of Restricted Share Award Agreement (Director).
Exhibit 10.3	Cocrystal Discovery, Inc Agreements.
Exhibit 31.1	Certification by Phillip Frost, Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2009.
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Exhibit 32.2	Certification by Rao Uppaluri, Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2009.

Exhibit 10.2

FORM OF RESTRICTED STOCK AGREEMENT FOR DIRECTORS

OPKO HEALTH, INC.

OPKO Health, Inc. 2007 Equity Incentive Plan

THIS DIRECTOR'S RESTRICTED SHARE AWARD AGREEMENT (the "Agreement"), granted under the OPKO Health, Inc. 2007 Equity Incentive Plan (the "Plan") is effective as of • (the "Date of Grant") and is made between **OPKO Health, Inc.**, a Delaware corporation (the "Company") and • (the "Recipient").

WHEREAS, the Recipient serves as a director on the Company's Board of Directors (the "Board");

WHEREAS, the Company has determined that it is desirable and in its best interests to grant to the Recipient shares of the Company's common stock (the "Stock") subject to restrictions, in order to provide the Recipient with a significant equity interest in the Company so that the Recipient will have a greater incentive to seek to increase the value of the Company's Stock and so that the Recipient's interests will be more closely aligned with those of the shareholders of the Company (the "Award"); and

WHEREAS, any capitalized term not herein defined shall have the meaning as set forth in the Plan.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein:

1. Grant of Restricted Shares. On the terms and conditions of this Agreement and the Plan, the Company hereby grants to the Recipient • shares of Stock (the "Restricted Shares"). The extent to which the Restricted Shares become vested and non-forfeitable shall be determined in accordance with the provisions of Section 2 of this Agreement. The date of grant of the Restricted Shares is • (the "Grant Date").

2. Vesting of the Restricted Shares. The Restricted Shares granted pursuant to this Agreement shall vest and all restrictions shall lapse thereon as follows:

(a) General Vesting Conditions of the Restricted Shares. The Restricted Shares shall become vested and all restrictions thereon shall lapse on the date which is • years from the Grant Date (the "Vesting Date"). There shall be no proportional vesting prior to a Vesting Date.

(b) Acceleration of Vesting of the Restricted Shares. The Restricted Shares shall become fully vested and any restrictions thereon shall automatically lapse as described herein:

(i) on the date of the termination of the Recipient's service with the Company by reason of the Recipient's retirement, death or disability (within the meaning of Section 22(e)(3) of the Code); or

(ii) on the closing of a transaction that constitutes a Change in Control.

Notwithstanding the foregoing, the Committee, in its sole and absolute discretion, may accelerate the vesting of and cause all restrictions to lapse on the Restricted Shares at any time.

(c) Forfeiture of the Restricted Shares. The unvested Restricted Shares shall automatically be forfeited on the date that the Recipient ceases to perform services for the Company as a result of a termination by the Company for Cause.

(d) Definition of Cause. For purposes hereunder, Cause means:

(i) the continued failure by the Recipient to substantially perform the services expected of a director (other than any such failure resulting from the Recipient's incapacity due to physical or mental illness or injury) over a period of not less than thirty (30) days after a demand for substantial performance is delivered to the Recipient by the Chairman of the Board, which demand identifies the manner in which it is believed that the Recipient has not substantially performed the services expected of the Recipient;

(ii) the willful misconduct of the Recipient that is materially and demonstrably injurious to the Company; provided that no act or failure to act on the Recipient's part will be considered willful if done, or omitted to be done, by the Recipient in good faith and with reasonable belief that the action or omission was in the best interest of the Company;

(iii) the commission by or indictment of the Recipient for a misdemeanor, which constitutes a crime of moral turpitude and gives rise to material harm to the Company; or

(iv) the commission by or indictment of the Recipient for a felony (including, without limitation, any felony constituting a crime of moral turpitude).

3. Dividends. The Recipient shall have a right to receive cash dividends, to the extent declared by the Board of Directors, which are paid with respect to the Recipient's Restricted Shares after the Grant Date until the date on which the Recipient's interest in such Restricted Shares has been forfeited.

4. Voting Rights. The Recipient shall have a right to vote the Restricted Stock related to his Award after the Grant Date until the date on which the Recipient's interest in such Restricted Stock has been forfeited.

5. 83(b) Election. The Recipient, having been granted Restricted Stock subject to a "substantial risk of forfeiture," may elect under Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in his gross income the fair market value (determined without regard to the restrictions) of such Restricted Stock as of the Grant Date. If the Recipient makes the Section 83(b) election, the Recipient shall (i) make such election in a manner that is satisfactory to the Company, (ii) provide the Company with a copy of such election, (iii) agree to promptly notify the Company if any Internal Revenue Service or state tax agent, on audit or otherwise, questions the validity or correctness of such election or of the amount of income

reportable on account of such election, and (iv) agree to such federal and state income tax withholding as the Company may reasonably require in its sole and absolute discretion.

6. Taxes. The Company shall not withhold or in any way be responsible for the payment of any federal, state, or local income or occupational taxes. All such payments are the sole responsibility of the Recipient and the Recipient shall indemnify and hold the Company harmless from any and all loss, damage, or liability arising with respect to such amounts.

7. Effect of Changes in Capitalization or Change in Control.

(a) Changes in Stock. If the outstanding shares of Stock are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the date the Award is granted, then, in the Board's discretion, a proportionate and appropriate adjustment may be made by the Board in the number and kind of shares subject to the Award, so that the proportionate interest of the Recipient immediately following such event shall, to the extent practicable, be the same as immediately prior to such event. In the event of any distribution to the Company's stockholders of securities of any other entity or other assets (other than dividends payable in cash or stock of the Company) without receipt of consideration by the Company, the Board shall, in such manner as it deems appropriate, adjust the number and kind of shares subject to the Award to reflect such distribution.

(b) Reorganization in Which the Company Is the Surviving Company. Subject to 7(c) below, if the Company shall be the surviving Company in any reorganization, merger, or consolidation of the Company with one or more other companies or other entities, the Award shall pertain to and apply to the securities to which a holder of the number of shares of Stock subject to the Award would have been entitled immediately following such reorganization, merger, or consolidation, with a corresponding proportionate adjustment of the Award, as may be applicable so that the aggregate value of the Award thereafter shall be the same as the aggregate value of the Award immediately before such reorganization, merger, or consolidation.

8. General Restrictions. The Company shall not be required to sell or issue any shares of Stock under the Award if the sale or issuance of such shares would constitute a violation by the Recipient or by the Company of any provision of any law or regulation of any governmental authority, including without limitation any federal or state securities laws or regulations. If at any time the Company shall determine, in its discretion, that the listing, registration, or qualification of any shares subject to the Award upon any securities exchange or under any state or federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the issuance or purchase of shares, the Award may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Company, and any delay caused thereby shall in no way affect the date of termination of the Award. Specifically in connection with the Securities Act of 1933 (as now in effect or as hereafter amended), unless a registration statement under such Act is in effect with

respect to the shares of Stock covered by the Award, the Company shall not be required to sell or issue such shares unless the Company has received evidence satisfactory to it that the holder of the Award may acquire such shares pursuant to an exemption from registration under such Act. Any determination in this connection by the Company shall be final, binding, and conclusive. The Company may, but shall in no event be obligated to, register any securities covered hereby pursuant to the Securities Act of 1933 (as now in effect or as hereafter amended). The Company shall not be obligated to take any affirmative action in order to cause the issuance of shares pursuant to the Award to comply with any law or regulation of any governmental authority. As to any jurisdiction that expressly imposes the requirement that the Award shall not be exercisable unless and until the shares of Stock covered by the Award are registered or are subject to an available exemption from registration, the exercise of the Award (under circumstances in which the laws of such jurisdiction apply) shall be deemed conditioned upon the effectiveness of such registration or the availability of such an exemption.

9. Restrictions On Transfer. Other than by will or under the laws of descent and distribution, the Recipient shall not have the right to make or permit to occur any transfer, pledge or hypothecation of all or any portion of any unvested portion of the Award, whether outright or as security, with or without consideration, voluntary or involuntary. Any such transfer, pledge or hypothecation not made in accordance with this Agreement shall be deemed null and void.

10. Interpretation of this Agreement. All decisions and interpretations made by the the Board with regard to any question arising under this Agreement shall be final, binding and conclusive on the Company and the Recipient and any other person entitled to receive the benefits of the Award as provided for herein.

11. Governing Law. The validity, interpretation and enforcement of this Agreement are governed in all respects by the laws of the State of Florida, without giving effect to its conflict of laws principles, and by the laws of the United States of America.

12. Binding Effect. Subject to all restrictions provided for in this Agreement and by applicable law relating to assignment and transfer of this Agreement and the Award provided for herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and assigns.

13. Notice. Any notice hereunder by the Recipient to the Company shall be in writing and shall be deemed duly given if mailed or delivered to the Company at its principal office, addressed to the attention of the Board, or if so mailed or delivered to such other address as the Company may hereafter designate by notice to the Recipient. Any notice hereunder by the Company to the Recipient shall be in writing and shall be deemed duly given if mailed or delivered to the Recipient at the address specified below by the Recipient for such purpose, or if so mailed or delivered to such other address as the Recipient may hereafter designate by written notice given to the Company.

14. Severability. In the event that any one or more of the provisions or portion thereof contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, the same shall not invalidate or otherwise affect any other

provisions of this Agreement, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision or portion thereof had never been contained herein.

15. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior understandings and agreements written or oral, of the parties hereto with respect to the subject matter hereof. There is no representation or statement made by any party on which another party has relied which is not included in this Agreement. Neither this Agreement nor any term hereof may be amended, waived, discharged, or terminated except by a written instrument signed by the Company and the Recipient; provided, however, that the Company unilaterally may waive any provision hereof in writing to the extent that such waiver does not adversely affect the interests of the Recipient hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement, or caused this Agreement to be duly executed and delivered on his or its behalf, as of the day and year first above written.

OPKO Health, Inc.

BY: _____

DATE: _____

RECIPIENT

_____

DATE: _____

RECIPIENT'S ADDRESS:

_____

_____

_____

Exhibit 10.3

This Joinder (this "Agreement") is entered into this 21st day of September, 2009, by OPKO Health, Inc. ("OPKO").

R E C I T A L S

1. Effective September 19, 2008 Cocrystal Discovery, Inc., a Delaware corporation ("Cocrystal"), and certain investors (the "Investors") entered into (a) that certain Series A Preferred Stock Purchase Agreement attached hereto as Attachment A (the "Purchase Agreement"), (b) that certain Investors Rights Agreement attached hereto as Attachment B (the "Investor Rights Agreement"), (c) that certain Right of First Refusal and Co-Sale Agreement attached hereto as Attachment C (the Co-Sale Agreement"), and (d) that certain Voting Agreement attached hereto as Attachment D (the "Voting Agreement, and together with the Purchase Agreement, the Investor Rights Agreement, the Co-Sale Agreement and the Voting Agreement, the "Agreements"). Each of the capitalized terms used herein but not otherwise defined shall have the meaning ascribed such terms in the Purchase Agreement.

2. Effective June 9, 2009, the Investors and Cocrystal entered into that certain First Amendment to the Series A Preferred Stock Financing Agreements attached hereto as Attachment E, pursuant to which the Purchase Agreement was amended to permit OPKO to purchase approximately $2.5 million of shares of Cocrystal's Series A Preferred Stock (the "Shares") at the Second Closing (the "Amendment").

3. The Amendment further provided that each of the Agreements was amended to add OPKO a party thereto with such amendments to be effective upon OPKO's purchase of the Shares and OPKO's execution of counterpart signature pages to the Agreements at the Second Closing.

4. Effective September 21, 2009, OPKO delivered $2.5 million, the purchase price for the Shares, to Cocrystal, and OPKO hereby acknowledges, agrees and confirms that, by its execution of this Agreement, OPKO will be deemed to be a party to each of the Purchase Agreement (as modified by the Amendment), the Investor Rights Agreement, the Co-Sale Agreement, and the Voting Agreement. Concurrent with the execution of this Agreement, OPKO will deliver to Cocrystal a counterpart signature page to each of the Agreements.

IN WITNESS WHEREOF, the undersigned have hereby executed this Agreement as of the day and year first set forth above.

OPKO Health, Inc.

By: _____
Kate Inman
Title: Deputy General Counsel, Secretary

*****Attachments B through D of this Joinder Agreement have been omitted from this filing. The Company agrees to furnish supplementally copies of the omitted attachments to the Commission upon request**

Attachment A
Series A Preferred Stock Purchase Agreement

COCRYSTAL DISCOVERY, INC.

SERIES A PREFERRED STOCK PURCHASE AGREEMENT

This Series A Preferred Stock Purchase Agreement (the "**Agreement**") is entered into as of September 19, 2008 by and among Cocrystal Discovery, Inc., a Delaware corporation (the "**Company**"), and the investors listed on **Exhibit A** attached to this Agreement (each an "**Investor**" and together the "**Investors**"). The parties hereby agree as follows herein:

1. Purchase and Sale of Preferred Stock.

1.1 Sale and Issuance of Series A Preferred Stock.

(a) The Company shall adopt and file with the Secretary of State of the State of Delaware on or before the Initial Closing (as defined below) the Amended and Restated Certificate of Incorporation in the form of **Exhibit B** attached to this Agreement (the "**Restated Certificate**").

(b) On or prior to the Initial Closing, the Company shall have authorized (i) the sale and issuance to the Investors pursuant to this Agreement of up to 7,080,000 shares (the "**Shares**") of its Series A Preferred Stock, $0.0001 par value per share (the "**Series A Preferred Stock**"), and (ii) the issuance of the shares of the Company's Common Stock, $0.0001 par value per share (the "**Common Stock**"), to be issued upon conversion of the Shares (the "**Conversion Shares**"). As of the Initial Closing, the Series A Preferred Stock and the Common Stock shall have the rights, privileges, and restrictions set forth in the Restated Certificate.

(c) Subject to the terms and conditions of this Agreement, each Investor agrees, severally and not jointly, to purchase at the applicable Closing, and the Company agrees to sell and issue to each Investor at such Closing, that number of Shares of Series A Preferred Stock set forth opposite each such Investor's name on **Exhibit A** attached hereto under the column entitled "Cash Paid at Closing" with respect to such Closing at a purchase price of $1.44134 per Share.

1.2 Closing; Delivery.

(a) The initial purchase and sale of the Shares under this Agreement shall take place at the offices of Perkins Coie LLP, 1201 Third Avenue, Suite 4800, Seattle, Washington, 98101, at 11:00 a.m. Pacific time on the date hereof, or at such other time and place as the Company and the Investors mutually agree upon orally or in writing (which date, time and place are designated as the "**Initial Closing**").

(b) The second purchase and sale of the Shares under this Agreement shall take place at the offices of Perkins Coie LLP, 1201 Third Avenue, Suite 4800, Seattle, Washington, 98101, at 11:00 a.m. Pacific time on September 18, 2009, or at such later date and time as may be designated by the Company's Board of Directors (the "**Board of Directors**"), other than the Series A Directors (as such term is defined in the Restated Certificate), provided such later date and time is reasonably acceptable to the Investors (which date, time and place are designated as the "**Second Closing**").

(c) The third purchase and sale of the Shares under this Agreement shall take place at the offices of Perkins Coie LLP, 1201 Third Avenue, Suite 4800, Seattle, Washington, 98101, at 11:00 a.m. Pacific time on March 19, 2010, or at such later date and time as may be designated by the Board of Directors, other than the Series A Directors, provided such later date and time is reasonably acceptable to

the Investors (which date, time and place are designated as the "**Third Closing**", and together with the Initial Closing and the Second Closing, each being a "**Closing**").

(d) At each Closing, the Company shall deliver to each Investor a certificate representing the Shares being purchased by such Investor at such Closing, against payment of the purchase price therefor by check payable to the Company, by wire transfer to a bank account designated by the Company, by cancellation or conversion of notes or other indebtedness of the Company held by such Investor, or by any combination of such methods.

(e) At the Initial Closing, the Investor holding a convertible promissory note of the Company (as identified on **Exhibit A**) (the "**Note**") shall deliver the Note to the Company for cancellation and conversion into the number of shares of Series A Preferred Stock set forth opposite such Investor's name on **Exhibit A** under "Initial Closing" (the "**Note Shares**") pursuant to the terms of this Agreement (and notwithstanding any terms to the contrary contained in the Note). The parties hereto agree and acknowledge that the Note shall convert into the Note Shares at the Initial Closing (notwithstanding any terms to the contrary contained in the Note), and that upon the issuance of the Note Shares at the Initial Closing, any and all amounts due under the Note shall be deemed paid in full and all obligations of the Company under the Note shall be fully and finally satisfied and discharged.

1.3 Defined Terms Used in this Agreement. In addition to the terms defined above, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

"**Investors Rights Agreement**" means the agreement among the Company and the Investors dated as of the date of the Initial Closing, in substantially the form of **Exhibit C** attached to this Agreement.

"**Right of First Refusal Agreement**" means the agreement among the Company, the Purchasers, and certain other stockholders of the Company, dated as of the date of the Initial Closing, in substantially the form of **Exhibit D** attached to this Agreement.

"**Transaction Agreements**" means this Agreement, the Investors Rights Agreement, the Right of First Refusal Agreement, and the Voting Agreement.

"**Voting Agreement**" means the agreement among the Company, the Purchasers and certain other stockholders of the Company, dated as of the date of the Initial Closing, in substantially the form of **Exhibit E** attached to this Agreement.

2. Representations and Warranties of the Company.

The Company hereby represents and warrants to each Investor as of the date of the Initial Closing, except as set forth on the Schedule of Exceptions delivered to the Investors (the "**Schedule of Exceptions**"), which exceptions shall be deemed to be representations and warranties as if made hereunder:

2.1 Organization, Valid Existence, Corporate Power and Qualification. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own its properties and carry on its business as currently conducted. The Company is duly qualified to transact business and is in good standing in the state of Washington and each other jurisdiction in which the failure to so qualify would have a material adverse effect on its business, financial condition or operating results.

2.2 Capitalization. The equity capitalization of the Company consists, immediately prior to the Initial Closing, of the following:

(a) 7,150,000 shares of Preferred Stock, all of which have been designated Series A Preferred Stock, none of which are issued and outstanding immediately prior to the Initial Closing. The rights, privileges and preferences of the Preferred Stock are as stated in the Restated Certificate.

(b) 17,150,000 shares of Common Stock, 3,054,444 shares of which are issued and outstanding immediately prior to the Initial Closing. All of the outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, and were issued in compliance with all applicable federal and state securities laws.

(c) The Company has reserved 500,000 shares of Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its 2007 Equity Incentive Plan, which (including all amendments thereto) has been duly adopted by the Company's Board of Directors and shareholders (the "***Stock Plan***"). Of such reserved shares of Common Stock, no options to purchase shares have been granted or are currently outstanding (the "***Outstanding Options***"), 85,444 shares have been issued pursuant to restricted stock awards, and 414,556 of such shares of Common Stock remain available for issuance to officers, directors, employees and consultants pursuant to the Stock Plan. The Company has furnished to the Purchasers complete and accurate copies of the Stock Plan and forms of agreements used thereunder.

(d) Other than (i) the Outstanding Options, and (ii) as set forth in the Transaction Agreements, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights), or agreements, orally or in writing, for the purchase or acquisition from the Company of any shares of its capital stock or securities exercisable for or convertible into shares of capital stock. None of the Company's stock purchase or stock restriction agreements or stock option documents contains a provision for acceleration (or lapse of a repurchase right) upon the occurrence of any event. The Company has never adjusted or amended the exercise price of any stock options previously awarded, whether through amendment, cancellation, replacement grant, repricing, or any other means. The Company has no obligation (contingent or otherwise) to purchase or redeem any of its capital stock.

(e) All outstanding securities of the Company, including, without limitation, all outstanding shares of capital stock of the Company, all shares of the capital stock of the Company issuable upon conversion or exercise of all convertible or exercisable securities, and all other securities that the Company is obligated to issue, are subject to a one hundred eighty (180) day "market stand-off" restriction upon an initial public offering of the Company's securities pursuant to a registration statement filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), in a form substantially identical to Section 2.11 of the Investors Rights Agreement.

2.3 Subsidiaries. The Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership, or similar arrangement.

2.4 Authorization. All corporate action on the part of the Company, its officers, directors, and stockholders necessary for the authorization, execution and delivery of the Transaction Agreements, the performance of all obligations of the Company hereunder and thereunder, and the authorization, issuance, and delivery of the Shares and the Conversion Shares (together, the "**Securities**") has been taken or will be taken prior to the Initial Closing. The Transaction Agreements, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general application affecting enforcement of creditors' rights generally, (b) as limited by laws relating to

the availability of specific performance, injunctive relief, or other equitable remedies, or (c) to the extent the indemnification provisions contained in the Investors Rights Agreement may be limited by applicable federal or state securities laws.

2.5 Valid Issuance of Shares. The Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable state and federal securities laws, and liens or encumbrances created by or imposed by an Investor. Based in part upon the representations of the Investors in Section 3 of this Agreement, and subject to Section 2.6 below, the Shares will be issued in compliance with all applicable federal and state securities laws. The Conversion Shares have been duly reserved for issuance and, upon issuance in accordance with the terms of the Restated Certificate, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable federal and state securities laws, and liens or encumbrances created by or imposed by an Investor. Based in part upon the representations of the Investors in Section 3 of this Agreement, and subject to Section 2.6 below, the Conversion Shares, when issued upon conversion of the Shares in accordance with the Restated Certificate, will be issued in compliance with all applicable federal and state securities laws.

2.6 Governmental Consents and Filings. No consent, approval, order, or authorization of, or registration, qualification, designation, declaration, or filing with, any federal, state, or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement, except for (a) the filing of the Restated Certificate with the Secretary of State of the state of Delaware, and (b) filings pursuant to applicable state securities laws and Regulation D of the Securities Act.

2.7 Litigation. There is no claim, action, suit, proceeding, arbitration, complaint, charge, or investigation pending or, to the Company's knowledge, currently threatened against the Company that questions the validity of the Transaction Agreements or the right of the Company to enter into them, or to consummate the transactions contemplated hereby or thereby, or that might result, either individually or in the aggregate, in any material adverse effect on the Company's business, financial condition, prospects or operating results, or any change in the current equity ownership of the Company, nor is the Company aware that there is any reasonable basis for the foregoing. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment, or decree of any court or government agency or instrumentality, and to the Company's knowledge no officer of the Company is a party or subject to any of the foregoing with respect to such officer's role with the Company. There is no action, suit, proceeding, or investigation by the Company currently pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings, or investigations pending or threatened in writing (or any reasonable basis therefor known to the Company) involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, or any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.

2.8 Intellectual Property.

(a) The Company owns, or is validly licensed or otherwise possesses or reasonably believes that it can readily obtain on commercially reasonable terms legally enforceable rights to use, all intellectual property (including but not limited to patents, patent applications, copyrights, trademarks (including trade names and service marks), trademark applications, trade secrets, licenses, domain names, works of authorship, inventions, confidential information, and proprietary rights and processes) (collectively, "**Intellectual Property**") necessary for or used in its business as now conducted and as currently proposed to be conducted, without (to the Company's knowledge with respect to patents and patent applications only) any conflict with or infringement of the rights of third parties. The Company

has not received any written communications alleging or otherwise indicating that the Company has violated or, by conducting its business as now conducted, would violate any of the Intellectual Property rights of any other person or entity.

(b) The Company has not been and will not be required, for the conduct of its business as currently conducted and as currently proposed to be conducted, to utilize any inventions or other intellectual or other property of any employees, agents or independent contractors of the Company (or persons the Company currently intends to hire) made prior to their employment or other engagement by the Company or other than as part of such employment or engagement for and on behalf of the Company. To the Company's best knowledge, at no time during the conception, reduction to practice or development of any of the Intellectual Property owned by the Company (whether prior to or during the employment or engagement of any such person by the Company) was any developer, inventor or other contributor to such Intellectual Property (1) operating under any grants from any governmental entity or agency, hospital, academic institution or private or other source (any of the above or sub-division or sub-entity thereof, an "**Institution**"), performing research sponsored by any Institution or subject to any employment, consulting, staff or faculty member or other engagement agreement or arrangement (whether full-time or part-time) or invention assignment or nondisclosure agreement or other obligation with any third party that would adversely affect the Company's rights in such Intellectual Property, (2) using any facilities of any Institution in connection with any such conception or development of any such Intellectual Property, or utilizing in connection therewith any time which his relationship or engagement with any Institution warranted to be devoted to such Institution or to his activities therein or for which he was receiving compensation from such Institution, (3) researching, developing, teaching, using or otherwise being involved, in connection with his relationship or engagement with any Institution, in any matter that relates to any such Intellectual Property, or (4) otherwise engaged in any activity in connection with his relationship or engagement with any Institution that might serve as a basis for any claim by any Institution with respect to any rights in any such Intellectual Property. Without derogating in any manner from any other representation or warranty made herein, no Institution has any rights of any kind in any of the Company's Intellectual Property.

(c) The Company has taken reasonable measures to protect the secrecy and confidentiality of all of its trade secrets and all know-how, inventions, designs, processes, technical data, and other information from which the Company derives value, or may potentially derive value, from the item not being generally known. The Company does not know of any infringement, misappropriation, or violation by any third party of any Intellectual Property rights owned by the Company.

(d) Section 2.8(d) of the Schedule of Exceptions contains a complete list of all registered patents, registered trademarks, registered service marks, registered trade names, registered domain names, registered copyrights, and all other rights to Intellectual Property that are registered with a public legal authority that are owned by the Company, and all pending applications for registration of any Intellectual Property rights.

(e) The software owned by the Company was not developed with, does not contain, and is not compiled or integrated with Open Source Materials that would impose any of the obligations or restrictions described in the definition of Open Source Materials below on the Company's ability to distribute or use such Company-owned software or portion thereof. "**Open Source Materials**" means software or any portion thereof provided to the Company under a license that purports to require the Company to do any of the following: (1) disclose or distribute or provide access to any of the software or portion thereof owned by the Company; (2) authorize a licensee of a Company product to make derivative works of any software or portion thereof owned by the Company; or (3) distribute any software or portion thereof owned by the Company at no cost to the recipient or otherwise restrict the Company's ability to charge for distribution of or use of such for commercial purposes.

(f) None of the Company's employees are obligated under any contract (including licenses, covenants, or commitments of any nature) or other agreement, or subject to any judgment, decree, or order of any court or administrative agency, that would interfere with the use of such employee's full time efforts to promote the interests of the Company or that would interfere with or restrict the Company's business as proposed to be conducted. Neither the execution nor delivery of this Agreement, nor the carrying on of the Company's business as presently conducted, will conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant, or instrument under which any of such employees is now obligated. It is not and will not be necessary for the Company to use any inventions of any of its employees (or persons it currently intends to hire) made prior to or outside the scope of their employment by the Company.

2.9 Compliance with Other Instruments. The Company is not in violation or default (a) of any provisions of its Restated Certificate or Bylaws, (b) of any judgment, order, writ, or decree applicable to it or to which it is a party, (c) under any instrument, note, indenture, or mortgage to which it is a party, (d) under any lease, agreement, contract, or purchase order to which it is a party that is required to be listed on the Schedule of Exceptions, or (e) of any provision of any federal or state statute, rule, or regulation applicable to the Company. The execution, delivery, and performance of the Transaction Agreements, and the consummation of the transactions contemplated by the Transaction Agreements, will not result in any such violation or default or constitute, with or without the passage of time and giving of notice, either (i) a violation of or default under any of the foregoing, or (ii) an event which results in the creation of any lien, charge, or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any permit or license applicable to the Company. Neither the Company nor any of its subsidiaries is engaged, nor has any officer, director, employee, or agent of the Company or any of its subsidiaries engaged, in any act or practice which would constitute a violation of the Foreign Corrupt Practices Act of 1977, or any rules or regulations promulgated thereunder. There is not now, and there never has been, any employment by the Company or any of its subsidiaries, or beneficial ownership in the Company or any of its subsidiaries by, any governmental or political official in any country in the world. To the Company's knowledge, the Company and each of its respective officers, directors, employees and agents are in compliance with and have not violated the U.S. money laundering laws or regulations, the U.S. Bank Secrecy Act, as amended by the USA Patriot Act of 2001 (including any recordkeeping or reporting requirements thereunder), or the anti-money laundering laws or regulations of any jurisdiction.

2.10 Agreements; Actions.

(a) Except for the Transaction Agreements, there are no agreements, understandings, instruments, contracts, or proposed transactions, or judgments, orders, writs, or decrees, to which the Company is a party or by which it is bound that involve (i) obligations of, or payments to, the Company in excess of $25,000 in any fiscal year, (ii) the license of any patent, copyright, trademark, trade secret, or other Intellectual Property right to or from the Company (other than standard end-user licenses for off the shelf software products used by the Company in its business and not incorporated into any product or service offered or proposed to be offered by the Company), or (iii) the grant of rights to develop, license, distribute, or sell its products or services to any other person outside of the ordinary course of business.

(b) Since January 1, 2008, the Company has not (i) declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock, (ii) incurred any indebtedness for borrowed money or incurred any other liabilities individually in excess of $25,000 or in excess of $100,000 in the aggregate, (iii) made any loans or advances to any person or entity, other than ordinary advances for travel expenses, or (iv) sold, exchanged, or otherwise disposed of any of its material assets or material rights, other than the sale of its inventory in the ordinary course of business.

(c) For the purposes of subsections (a) and (b) above, all indebtedness, liabilities, agreements, understandings, instruments, contracts, and proposed transactions involving the same person or entity (including persons or entities the Company has reason to believe are affiliated with that person or entity) shall be aggregated for the purposes of meeting the individual minimum dollar amounts of each such subsection.

2.11 Related Party Transactions.

(a) Except for the agreements explicitly contemplated by the Transaction Agreements and other than agreements or understandings pertaining to (i) standard employee benefits generally made available to all employees, (ii) standard director and officer indemnification agreements approved by the Board of Directors, (iii) the purchase of shares of the Company's capital stock and the issuance of options to purchase shares of the Company's common stock under the Stock Plan, and (iv) proprietary information and invention agreements, in each instance, there are no agreements, understandings, or proposed transactions between the Company and any of its employees, officers, or directors, or their affiliates.

(b) The Company is not indebted, directly, or indirectly, to any of its employees, officers, or directors, or to their respective affiliates, spouses, or children, other than in connection with customary and reasonable expenses or advances of such expenses of employees incurred in the ordinary course of business. None of the Company's employees, officers, or directors, or any members of their immediate families, or any affiliate thereof, are, directly or indirectly, indebted to the Company or, to the Company's knowledge, have any direct or indirect ownership interest in (i) any firm or corporation with which the Company is affiliated or with which the Company has a business relationship or (ii) any firm or corporation which competes with the Company, other than ownership positions in publicly traded companies not exceeding two percent of the outstanding capital stock thereof. None of the Company's employees, officers, or directors or, to the Company's knowledge, any members of their immediate families are, directly or indirectly, interested in any material contract with the Company. The Company is not a guarantor or indemnitor of any indebtedness of any other person, firm, or corporation.

2.12 Rights of Registration and Voting Rights. Except as provided in the Investors Rights Agreement, the Company is not under any obligation to register under the Securities Act any of its currently outstanding securities or any securities issuable upon exercise or conversion of its currently outstanding securities. To the Company's knowledge, except as contemplated in the Voting Agreement, no stockholder of the Company has entered into any agreements with respect to the voting of shares of capital stock of the Company.

2.13 Title to Assets. The property and assets that the Company owns are free and clear of all mortgages, deeds of trust, liens, loans, and encumbrances, except for statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets. With respect to the property and assets it leases, the Company is in compliance with such leases and, to its knowledge, holds a valid leasehold interest free of any liens, claims, or encumbrances other than those of the lessors of such property or assets.

2.14 Material Liabilities. The Company has no material liability or obligation, absolute or contingent (individually or in the aggregate), except (i) obligations and liabilities incurred after the date of incorporation in the ordinary course of business that are not material, individually or in the aggregate, and (ii) obligations under contracts made in the ordinary course of business that would not be required to be reflected in financial statements prepared in accordance with generally accepted accounting principles.

2.15 Changes. Since June 30, 2008, there has not been:

(a) any change in the business, financial condition, prospects or operating results of the Company, except changes in the ordinary course of business that have not been, individually, or in the aggregate, materially adverse;

(b) any damage, destruction, or loss, whether or not covered by insurance, materially and adversely affecting the business, properties or financial condition of the Company;

(c) any waiver or compromise by the Company of a valuable right or of a material debt owed to it;

(d) any satisfaction or discharge of any lien, claim, or encumbrance or payment of any obligation by the Company, except in the ordinary course of business and that is not materially adverse to the Company;

(e) any change to a material contract or agreement to which the Company is a party or subject;

(f) any change in any compensation arrangement or agreement with any officer or director;

(g) any resignation or termination of employment of any officer or key employee of the Company;

(h) any mortgage, pledge, transfer of a security interest in or lien created by the Company with respect to any of its properties or assets, except liens for taxes not yet due or payable;

(i) any loans or guarantees made by the Company to or for the benefit of its employees, officers, or directors, or any members of their immediate families, other than travel advances and other advances made in the ordinary course of business;

(j) any declaration, setting aside, or payment or other distribution in respect to any of the Company's capital stock, or any direct or indirect redemption, purchase, or other acquisition of any of such stock by the Company;

(k) any sale, assignment, or transfer of any patents, trademarks, copyrights, trade secrets, or other Intellectual Property rights; or

(l) any arrangement or commitment by the Company to do any of the things described in this Section 2.15.

2.16 Tax Matters.

(a) There are no federal, state, county, local or foreign taxes dues and payable by the Company which have not been timely paid. There are no accrued and unpaid federal, state, country, local or foreign taxes of the Company which are due, whether or not assessed or disputed. There have been no examinations or audits of any tax returns or reports by any applicable federal, state, local or foreign governmental agency. The Company has duly and timely filed all federal, state, county, local and foreign tax returns required to have been filed by it and there are in effect no waivers of applicable statutes of limitations with respect to taxes for any year.

(b) To the Company's knowledge, all individuals who have purchased unvested shares of the Company's Common Stock have timely filed elections under Section 83(b) of the Code and any analogous provisions of applicable state tax laws.

(c) The Company is not a "United States real property holding corporation" within the meaning of the Code and any regulations promulgated thereunder.

2.17 Insurance. The Company has in full force and effect fire, general liability, and casualty insurance policies with extended coverage, in such amounts (subject to reasonable deductions) as customarily carried by similar companies at equivalent stages of development.

2.18 Employee Matters.

(a) The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment, or arrangement with any labor union, and no labor union has requested or, to the knowledge of the Company, has sought to represent any of the employees, representatives, or agents of the Company. There is no strike or other labor dispute involving the Company pending, or to the knowledge of the Company threatened, which could have a material adverse effect on the Company's business, financial condition or operating results, nor is the Company aware of any labor organization activity involving its employees.

(b) Each officer and key employee of the Company is currently devoting substantially all of his or her business time to the conduct of the business of the Company. The Company is not aware that any officer or key employee is planning to work less than full time at the Company. The Company is not aware that any officer or key employee, or that any group of key employees, intends to terminate his, her, or their employment with the Company, nor does the Company have a present intention to terminate the employment of any of the foregoing individuals. No officer or key employee is currently working or, to the Company's knowledge, plans to work for a competitive enterprise, whether or not such officer or key employee is or will be compensated by such enterprise.

(c) The employment of each officer and employee of the Company is terminable at the will of the Company, and upon termination of the employment of each such officer and employee, no severance or other payments will become due.

(d) The Company is not delinquent in payments to any of its employees, consultants, or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for it to the date hereof or amounts required to be reimbursed to such employees, consultants, or independent contractors. The Company has complied in all material respects with all applicable state and federal equal employment opportunity laws and with other laws related to employment, including those related to wages, hours, worker classification, and collective bargaining. The Company has withheld and paid to the appropriate governmental entity or is holding for payment not yet due to such governmental entity all amounts required to be withheld from employees of the Company and is not liable for any arrears of wages, taxes, penalties, or other sums for failure to comply with any of the foregoing.

2.19 Benefit Plans. Section 2.19 of the Schedule of Exceptions sets forth each employee benefit plan maintained, established, or sponsored by the Company, or which the Company participates in or contributes to, which is subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). The Company has made all required contributions and has no liability to any such employee benefit plan, other than liability for health plan continuation coverage described in Part 6 of Title I(B) of ERISA, and has complied in all material respects with all applicable laws for any such employee benefit plan.

2.20 Proprietary Information and Invention Agreements. Each employee and officer of the Company has executed an agreement with the Company regarding confidentiality, proprietary information and invention assignment substantially in the form delivered or made available to the Investors. Each consultant and independent contractor of the Company has executed an agreement with the Company regarding confidentiality, proprietary information, and invention assignment substantially in the form delivered or made available to the Investors. Each such agreement is in full force and effect, and the Company is not aware that any of its employees, consultants, independent contractors, or officers is in violation of any such agreement. No such employee, consultant, independent contractor, or officer has excluded works or inventions made prior to his, her, or its employment with or service to the Company from his, her, or its assignment of inventions pursuant to any such agreement.

2.21 Permits. The Company has all franchises, permits, licenses, and any similar authority necessary for the conduct of its business, the lack of which could reasonably be expected to materially and adversely affect the business, properties, prospects or financial condition of the Company. The Company is not in default under any of such franchises, permits, licenses or other similar authority.

2.22 Corporate Documents. The Restated Certificate and Bylaws of the Company are in the form provided or made available to the Investors. The copy of the minute books of the Company provided or made available to the Investors contains minutes of all meetings of directors and stockholders and all actions by written consent without a meeting by the directors and stockholders since the date of incorporation and accurately reflects all actions by the directors (and any committee of directors) and stockholders with respect to all transactions referred to in such minutes in all material respects.

2.23 Brokers. The Company has not incurred in connection with the sale of the Shares to the Investors any brokerage or finders' fees, or agents' commissions or any similar liabilities.

2.24 Environmental and Safety Laws. To the Company's knowledge the Company is not in violation of any applicable statute, law, or regulation relating to the environment or occupational health and safety, and to the Company's knowledge no material expenditures are or will be required in order to comply with any such existing statute, law, or regulation.

2.25 Disclosure. The representations and warranties of the Company contained in this Agreement, as qualified by the Schedule of Exceptions, and in the exhibits attached hereto or any certificate furnished or to be furnished to Investors at the Initial Closing (when read together in the aggregate) do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which they were made.

3. Representations and Warranties of the Investors.

Each Investor hereby represents and warrants to the Company, severally and not jointly, that:

3.1 Authorization. The Investor has full power and authority to enter into the Transaction Agreements. The Transaction Agreements to which the Investor is a party, when executed and delivered by the Investor, will constitute valid and legally binding obligations of the Investor, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (b) to the extent the indemnification provisions contained in the Investors Rights Agreement may be limited by applicable federal or state securities laws.

3.2 Purchase Entirely for Own Account. The Shares to be acquired by the Investor will be acquired for investment for the Investor's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and the Investor has no present intention of selling, granting

any participation in, or otherwise distributing the same. By executing this Agreement, the Investor further represents that the Investor does not presently have any contract, undertaking, agreement, or arrangement with any person or entity to sell, transfer or grant participations to such person or entity or to any third person or entity, with respect to any of the Shares. The Investor has not been formed for the specific purpose of acquiring the Shares.

3.3 Disclosure of Information. The Investor has had an opportunity to discuss the Company's business, management, financial affairs, and the terms and conditions of the offering of the Shares with the Company's management and has had an opportunity to review the Company's facilities. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement or the right of the Investor to rely thereon.

3.4 Restricted Securities. The Investor understands that the Shares have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Investor's representations as expressed herein. The Investor understands that the Shares are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Investor must hold the Shares indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Investor acknowledges that the Company has no obligation to register or qualify the Shares, or the Common Stock into which the Shares may be converted, for resale except as set forth in the Investors Rights Agreement.

3.5 No Public Market. The Investor understands that no public market now exists for the Shares, and that the Company has made no assurances that a public market will ever exist for the Shares.

3.6 Legends. The Investor understands that the Shares and any securities issued in respect of or exchange for the Shares, may bear one or all of the following legends:

(a) "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COMPANY OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION."

(b) Any legend set forth in, or required by, the other Transaction Agreements.

(c) Any legend required by the securities laws of any state to the extent such laws are applicable to the Shares represented by the certificate so legended.

Notwithstanding the foregoing, the legend referred to in Section 3.6(a) above shall be removed and the Company shall issue a certificate without such legend to the holder of the Securities if such Securities are registered under the Securities Act, or if such holder provides the Company with an opinion of counsel (which may be counsel for the Company) reasonably acceptable to the Company to the effect that, or the Company otherwise satisfies itself that, a public sale or transfer of such Securities may be made without registration under the Securities Act, or such holder provides the Company with reasonable assurances, which may, at the option of the Company, include an opinion of counsel reasonably acceptable to the Company, that such Securities can be sold pursuant to Rule 144 under the Securities Act.

3.7 Accredited Investor. The Investor is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.8 Foreign Investors. If the Investor is not a United States person (as defined by Section 7701(a)(30) of the Code), the Investor hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Shares or any use of this Agreement, including (a) the legal requirements within its jurisdiction for the purchase of the Shares, (b) any foreign exchange restrictions applicable to such purchase, (c) any governmental or other consents that may need to be obtained, and (d) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Shares. The Investor's subscription and payment for and continued beneficial ownership of the Shares will not violate any applicable securities or other laws of the Investor's jurisdiction.

3.9 Exculpation among Investors. The Investor acknowledges that it is not relying upon any person or entity, other than the Company and its officers and directors, in making its investment or decision to invest in the Company.

3.10 Residence. If the Investor is an individual, then the Investor resides in the state or province identified in the address of the Investor set forth on **Exhibit A**; if the Investor is a partnership, corporation, limited liability company, or other entity, then the office or offices of the Investor in which its principal place of business is identified in the address or addresses of the Investor set forth on **Exhibit A**.

3.11 General Solicitation. Neither the Investor, nor any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including through a broker or finder (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Shares.

4. Conditions to the Investors' Obligations at Initial Closing.

The obligations of each Investor to purchase Shares at the Initial Closing are subject to the fulfillment, on or before the Initial Closing, of each of the following conditions, unless otherwise waived by such Investor in writing:

4.1 Representations and Warranties. The representations and warranties of the Company contained in Section 2 shall be true and correct in all respects as of the Initial Closing with the same effect as though such representations and warranties had been made on and as of the date of the Initial Closing.

4.2 Performance. The Company shall have performed and complied with all covenants, agreements, obligations, and conditions contained in this Agreement that are required to be performed or complied with by the Company on or before the Initial Closing.

4.3 Compliance Certificate. The President of the Company shall deliver to the Investors at the Initial Closing a certificate certifying that the conditions specified in Sections 4.1 and 4.2 have been fulfilled.

4.4 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall have been obtained and shall be effective as of the Initial Closing.

4.5 Board of Directors. As of the Initial Closing, the authorized size of the Board of Directors shall be set at six directors, and the Board shall be comprised of Sam Lee, Gary Wilcox, Roger Kornberg, Phillip Frost, M.D., Jane Hsiao, Ph.D. and Steven D. Rubin.

4.6 Investors Rights Agreement. The Company and each Investor (other than the Investor relying upon this condition to excuse such Investor's performance hereunder) shall have executed and delivered the Investors Rights Agreement.

4.7 Right of First Refusal Agreement. The Company, each Investor (other than the Investor relying upon this condition to excuse such Investor's performance hereunder), and the other stockholders of the Company named as parties thereto shall have executed and delivered the Right of First Refusal Agreement.

4.8 Voting Agreement. The Company, each Investor (other than the Investor relying upon this condition to excuse such Investor's performance hereunder), and the other stockholders of the Company named as parties thereto shall have executed and delivered the Voting Agreement.

4.9 Restated Certificate. The Company shall have filed the Restated Certificate with the Secretary of State of Delaware on or prior to the Initial Closing, which shall continue to be in full force and effect as of the Initial Closing.

4.10 Secretary's Certificate. The Secretary of the Company shall have delivered to the Investors at the Initial Closing a certificate dated as of the Initial Closing certifying (a) the Restated Certificate as then in effect, (b) the Bylaws of the Company as then in effect, (c) the resolutions of the Board of Directors of the Company approving (among other things) the Transaction Agreements and the transactions contemplated thereunder (including the issuance of the Securities), and (d) the resolutions of the stockholders of the Company approving (among other things) the Restated Certificate.

4.11 Indemnification Agreements. The Company and each director designated by an Investor (other than the Investor relying upon this condition to excuse such Investor's performance hereunder) shall have executed and delivered the Company's standard form of Indemnification Agreement for its directors.

5. Conditions to the Company's Obligations at Closing.

The obligations of the Company to sell the Shares to the Investors at each Closing are subject to the fulfillment, on or before such Closing, of each of the following conditions, unless otherwise waived by the Company in writing:

5.1 Representations and Warranties. The representations and warranties of each Investor contained in Section 3 shall be true and correct in all respects as of such Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing.

5.2 Performance. The Investors shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by them on or before such Closing.

5.3 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall have been obtained and shall be effective as of such Closing.

5.4 Investors Rights Agreement. Each Investor shall have executed and delivered the Investors Rights Agreement.

5.5 Right of First Refusal Agreement. Each Investor and the other stockholders of the Company named as parties thereto shall have executed and delivered the Right of First Refusal Agreement.

5.6 Voting Agreement. Each Investor and the other stockholders of the Company named as parties thereto shall have executed and delivered the Voting Agreement.

5.7 Purchase Price. Each Investor in such Closing shall have delivered to the Company the purchase price for the Shares being purchased by such Investor in such Closing, in the amount set forth opposite such Investor's name on **Exhibit A**.

6. Miscellaneous.

6.1 Survival of Warranties. Unless otherwise set forth in this Agreement, the representations and warranties of the Company and the Investors contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement until the earliest of (a) the second anniversary of the Initial Closing, (b) the closing of a Deemed Liquidation (as defined in the Restated Certificate), or (c) the closing of a Qualified IPO (as defined in the Restated Certificate).

6.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

6.3 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to principles of conflicts of law.

6.4 Counterparts; Facsimile. This Agreement may be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.5 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

6.6 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (a) personal delivery to the party to be notified, (b) when sent, if sent by facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on the signature page or **Exhibit A**, or to such facsimile number or address as subsequently modified by written notice given in accordance with this Section 6.6. If notice is given to the Company, a copy shall also be sent to Perkins Coie LLP, Attention James R. Lisbakken and Mark A. Metcalf, 1201 Third Avenue, Suite 4800, Seattle, WA 98101.

6.7 No Finder's Fees. Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Each Investor agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which each Investor or any of its officers, employees, or representatives is responsible. The Company agrees to indemnify and hold harmless each Investor from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of

this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees, or representatives is responsible.

6.8 Fees and Expenses; Attorneys' Fees. The Company and each Investor shall each bear its own expenses with respect to the transaction; provided that the Company shall reimburse The Frost Group, LLC for the documented fees and expenses of its outside legal counsel, up to a maximum amount of $20,000. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

6.9 Amendments and Waivers. Any term of this Agreement may be amended or waived only with the written consent of the Company and the holders of a majority of the Common Stock issued or issuable upon conversion of the Shares. Any amendment or waiver effected in accordance with this Section 6.9 shall be binding upon the Investors and each transferee of the Shares (or the Common Stock issuable upon conversion thereof), each future holder of all such securities, and the Company. Each Investor acknowledges that by the operation of this paragraph, the holders of a majority of the Common Stock issued or issuable upon conversion of the Shares has the right and power to diminish or eliminate all rights of such Investor under this Agreement.

6.10 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement, (b) the balance of the Agreement shall be interpreted as if such provision were so excluded, and (c) the balance of the Agreement shall be enforceable in accordance with its terms.

6.11 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.12 Entire Agreement. This Agreement (including the Exhibits hereto), the Restated Certificate, and the other Transaction Agreements constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

6.13 Legal Representation. It is acknowledged by each of the other Investors that the Company has retained Perkins Coie LLP to act as its counsel in connection with the transactions contemplated by the Transaction Agreements and that Perkins Coie LLP has not acted as counsel for any of the Investors in connection with the transactions contemplated by the Transaction Documents, and that none of the Investors has the status of a client of Perkins Coie LLP for conflict of interest or any other purpose as a result thereof.

6.14 California Corporate Securities Law.

THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM THE QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED UNLESS THE SALE IS SO EXEMPT

* * * * *

IN WITNESS WHEREOF, the parties have executed this Series A Preferred Stock Purchase Agreement as of the date first written above.

COMPANY:

COCRYSTAL DISCOVERY, INC.

By: _____

Sam Lee
President

Address: 17108 17th Avenue W.
Lynnwood, WA 98037

INVESTORS:

****The Exhibits to the Series A Preferred Stock Purchase Agreement been omitted from this filing. The Company agrees to furnish supplementally copies of the omitted attachments to the Commission upon request.**

Attachment E
First Amendment to the Series A Preferred Stock Financing Agreements

COCRYSTAL DISCOVERY, INC.

FIRST AMENDMENT TO
SERIES A PREFERRED STOCK
FINANCING AGREEMENTS

This First Amendment to Series A Preferred Stock Financing Agreements (the "**Amendment**") is made as of June 9, 2009 by and among Cocrystal Discovery, Inc., a Delaware corporation (the "**Company**"), and the undersigned stockholders of the Company (the "**Stockholders**"). This Amendment amends: (a) that certain Series A Preferred Stock Purchase Agreement, dated September 19, 2008, between the Company and the holders of the Company's Series A Preferred Stock (the "**Purchase Agreement**"); (b) that certain Investors Rights Agreement, dated September 19, 2008, between the Company and certain founders and investors of the Company named therein (the "**Investors Rights Agreement**"); (c) that certain Right of First Refusal and Co-Sale Agreement, dated September 19, 2008, between the Company and certain founders and investors of the Company named therein (the "**Co-Sale Agreement**"); and (d) that certain Voting Agreement, dated September 19, 2008, between the Company and certain common holders and investors of the Company named therein (the "**Voting Agreement**"). Capitalized terms used but not defined herein shall be ascribed the meanings given to such terms in the Purchase Agreement.

RECITALS

A. The Company and the Stockholders desire to amend the Purchase Agreement to permit OPKO Health, Inc., a Delaware corporation ("**OPKO**"), to purchase approximately $2,500,000 of the Series A Preferred Stock of the Company (the "**Series A Preferred**") at the Second Closing.

B. The investment by OPKO under the Purchase Agreement will be made in lieu of investment by the following investors, who currently have the right to invest in the Second Closing under the Purchase Agreement: ***.

C. Pursuant to Section 6.9 of the Purchase Agreement, any term of the Purchase Agreement may be amended with the written consent of the Company and the holders of a majority of the Common Stock of the Company issued or issuable upon conversion of the outstanding Shares. The Stockholders collectively hold a majority of the Common Stock of the Company issued or issuable upon conversion of the Shares that are outstanding on the date of this Amendment.

D. In connection with the purchase of shares of Series A Preferred by OPKO pursuant to the Purchase Agreement, the Company and the Stockholders desire to amend the Investors Rights Agreement, the Co-Sale Agreement and the Voting Agreement to permit OPKO to become a party to each of those agreements.

E. Pursuant to Section 6.6 of the Investors Rights Agreement, any term of the Investors Rights Agreement may be amended with the written consent of the Company, the holders of a majority of the Registrable Securities (as defined in the Investors Rights Agreement) excluding Founder Registrable Securities (as defined in the Investors Rights Agreement), and the holders of a majority of the Founder Registrable Securities. The Stockholders collectively hold (i) a majority of the Registrable Securities excluding the Founder Registrable Securities, and (ii) a majority of the Founder Registrable Securities.

F. Pursuant to Section 8.3 of the Co-Sale Agreement, the Co-Sale Agreement may be amended to add a new holder of Preferred Stock of the Company as an "Investor" under the Co-Sale Agreement with the written consent of the Company and the holders of a majority of the Holders Shares (as such term is defined in the Co-Sale Agreement) held by all Holders (as such term is defined in the Co-Sale Agreement). The Stockholders that are Holders under the Co-Sale Agreement collectively hold a majority of the Holder Shares.

G. Pursuant to Section 7(c) of the Voting Agreement, any term of the Voting Agreement may be amended with the written consent of the Company, an Investor Majority (as such term is defined in the Voting Agreement), and a Common Majority (as such term is defined in the Voting Agreement). The Stockholders collectively constitute both an Investor Majority and a Common Majority under the Voting Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby confirmed, the parties hereto hereby agree as follows:

7. Amendment of the Purchase Agreement.

7.1 Section 1.1(c). Section 1.1(c) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"(c) Subject to the terms and conditions of this Agreement, each Investor agrees, severally and not jointly, to purchase at the applicable Closing, and the Company agrees to sell and issue to each Investor at such Closing, that number of Shares of Series A Preferred Stock set forth opposite each such Investor's name on **Exhibit A** attached hereto under the column entitled "Cash Paid at Closing" with respect to such Closing at a purchase price of (a) with respect to the First Closing and the Third Closing, $1.44134 per Share, or (b) with respect to the Second Closing, the applicable purchase price set forth opposite each such Investor's name under the column entitled "Per Share Purchase Price" on the schedule for the Second Closing on **Exhibit A** attached hereto, which price as indicated on **Exhibit A** shall be either $1.44134 per Share or $1.4691 per Share."

7.2 Schedule of Investors. The Schedule of Investors for the Second Closing under the Purchase Agreement (set forth on Exhibit A to the Purchase Agreement) is hereby amended in its entirety to read as follows:

Second Closing — September 18, 2009

Name and Address	Number of Shares of Series A Preferred Stock	Per Share Purchase Price	Cash Paid at Closing
OPKO Health, Inc.	1,701,723	$ 1.46910	$2,500,001.26
4400 Biscayne Blvd. Suite 1180 Miami, FL 33137 ****	17,345	$ 1.44134	$ 25,000.05
TOTAL	**1,719,068**		**$2,525,001.31**

8. Amendment of Investors Rights Agreement.

8.1 The Investors Rights Agreement is hereby amended to add OPKO as a party thereto as an "Investor," with such amendment to be effective upon OPKO's purchase of shares of the Company's Series A Preferred Stock at the Second Closing (as such term is defined in the Purchase Agreement) under the Purchase Agreement and OPKO's execution of a counterpart signature page to the Investors Rights Agreement. The Company is hereby authorized to update Exhibit A to the Investors Rights Agreement to reflect such amendment.

8.2 The defined term "Purchase Agreement" when used in the Investors Rights Agreement is hereby amended to mean "that certain Series A Preferred Stock Purchase Agreement, dated September 19, 2008, between the Company and the holders of the Company's Series A Preferred Stock, as such agreement may be amended from time to time."

9. Amendment of Co-Sale Agreement.

9.1 The Co-Sale Agreement is hereby amended to add OPKO as a party thereto as an "Investor," with such amendment to be effective upon OPKO's purchase of shares of the Company's Series A Preferred Stock at the Second Closing (as such term is defined in the Purchase Agreement) under the Purchase Agreement and OPKO's execution of a counterpart signature page to the Co-Sale Agreement. The Company is hereby authorized to update Schedule B to the Co-Sale Agreement to reflect such amendment.

9.2 The defined term "Purchase Agreement" when used in the Co-Sale Agreement is hereby amended to mean "that certain Series A Preferred Stock Purchase Agreement, dated September 19, 2008, between the Company and the holders of the Company's Series A Preferred Stock, as such agreement may be amended from time to time."

10. Amendment of Voting Agreement.

10.1 The Voting Agreement is hereby amended to add OPKO as a party thereto as an "Investor," with such amendment to be effective upon OPKO's purchase of shares of the Company's Series A Preferred Stock at the Second Closing (as such term is defined in the Purchase Agreement) under the Purchase Agreement and OPKO's execution of a counterpart signature page to the Voting Agreement. The Company is hereby authorized to update Schedule A to the Voting Agreement to reflect such amendment.

10.2 The defined term "Purchase Agreement" when used in the Voting Agreement is hereby amended to mean "that certain Series A Preferred Stock Purchase Agreement, dated September 19, 2008, between the Company and the holders of the Company's Series A Preferred Stock, as such agreement may be amended from time to time."

11. Miscellaneous.

11.1 Governing Law. This Amendment and the rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to principles of conflicts of law.

11.2 Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

11.3 Titles and Subtitles. The titles and subtitles used in this Amendment are used for convenience only and are not to be considered in construing or interpreting this Amendment.

11.4 Entire Agreement. Except as expressly amended hereby, the Purchase Agreement, the Investors Rights Agreement, the Co-Sale Agreement and the Voting Agreement and all rights and obligations of the Company and the other parties thereto under such agreements shall remain in full force and effect. If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Amendment, and of the Purchase Agreement, the Investors Rights Agreement, the Co-Sale Agreement and the Voting Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

[Signature page follows]

IN WITNESS WHEREOF, this Amendment has been executed and delivered by the undersigned as of the date first written above.

COMPANY:

COCRYSTAL DISCOVERY, INC.

By: _____
Gary L. Wilcox, Ph.D.
Chief Executive Officer

STOCKHOLDERS:

By: _____
Name:
Title:

Exhibit 31.1

CERTIFICATIONS

I, Phillip Frost, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of OPKO Health, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2009

/s/ Phillip Frost, M.D.
Phillip Frost, M.D.
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Rao Uppaluri, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of OPKO Health, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2009

/s/ Rao Uppaluri
Rao Uppaluri
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 73 of Title 18, United States Code)

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, Phillip Frost, Chief Executive Officer of OPKO Health, Inc. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2009

/s/ Phillip Frost, M.D.
Phillip Frost, M.D.
Chief Executive Officer

Exhibit 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 73 of Title 18, United States Code)

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, Rao Uppaluri, Chief Financial Officer of OPKO Health, Inc. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2009

/s/ Rao Uppaluri
Rao Uppaluri
Chief Financial Officer