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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 March 31, 2010.

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 May 3, 2010, the registrant had 255,231,867 shares of common stock outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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, 2009, and described from time to time in our reports filed with the Securities and Exchange Commission. Except as required by law, 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.
- The results of previous clinical trials may not be predictive of future results, and our current and planned clinical trials may not satisfy the requirements of the FDA or other non-U.S. 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 other than at our Mexican facility and we therefore 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 other than in Chile and Mexico. 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-U.S. governments often impose strict price controls, which may adversely affect our future profitability.
- Our business may become subject to legal, 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 significant percentage 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, which could cause our stock price to fall and decrease the liquidity of our common stock.
- Future issuances of common stock and hedging activities 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. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited) (in thousands except share data)

	March 31, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 33,674	$ 42,658
Marketable securities	4,999	—
Accounts receivable, net	11,832	8,767
Inventory, net	10,153	10,520
Prepaid expenses and other current assets	2,068	1,873
Total current assets	62,726	63,818
Property and equipment, net	2,393	593
Intangible assets, net	11,883	12,722
Goodwill	5,257	5,408
Investments	4,216	4,447
Other assets	428	442
Total assets	$ 86,903	$ 87,430
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 5,539	$ 4,784
Accrued expenses, including interest payable to related party	7,608	3,918
Current portion of lines of credit, including related parties, net of unamortized discount of $51 and $0, respectively	16,690	4,321
Total current liabilities	29,837	13,023
Long-term interest payable to related party	—	3,409
Deferred tax liabilities	1,222	1,339
Line of credit with related party, net of unamortized discount of $0 and $68, respectively	—	11,932
Total liabilities	31,059	29,703
Commitments and contingencies		
Shareholders' equity		
Series A Preferred stock — $0.01 par value, 4,000,000 shares authorized; 987,539 and 1,025,934 shares issued and outstanding (liquidation value of $2,530 and $2,564) at March 31, 2010 and December 31, 2009, respectively	10	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 1,209,677 shares issued and outstanding (liquidation value of $31,213 and $30,613) at March 31, 2010 and December 31, 2009, respectively	12	12
Common Stock — $0.01 par value, 500,000,000 shares authorized; 255,229,380 and 253,762,552 shares issued and outstanding at March 31, 2010 and December 31, 2009, respectively	2,552	2,538
Treasury stock — 45,154 shares at March 31, 2010 and December 31, 2009, respectively	(61)	(61)
Additional paid-in capital	396,338	393,144
Accumulated other comprehensive income	969	1,313
Accumulated deficit	(343,976)	(339,229)
Total shareholders' equity	55,844	57,727
Total liabilities and shareholders' equity	$ 86,903	$ 87,430

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

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

	For the three months ended March 31,	
	2010	2009
Revenue	$ 7,922	$ 2,301
Cost of goods sold, excluding amortization of intangible assets	5,528	1,561
Gross margin, excluding amortization of intangible assets	2,394	740
Operating expenses		
Selling, general and administrative	4,243	3,257
Research and development	1,328	5,659
Other operating expenses, principally amortization of intangible assets	889	406
Total operating expenses	6,460	9,322
Operating loss	(4,066)	(8,582)
Other expense, net	(340)	(450)
Loss before income taxes and investment losses	(4,406)	(9,032)
Income tax provision (benefit)	47	(35)
Loss before investment losses	(4,453)	(8,997)
Loss from investments in investees	(231)	—
Net loss	(4,684)	(8,997)
Preferred stock dividend	(662)	(58)
Net loss attributable to common shareholders	$ (5,346)	$ (9,055)
Loss per share, basic and diluted	$ (0.02)	$ (0.05)
Weighted average number of common shares outstanding, basic and diluted	254,452,451	199,598,277

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

OPKO Health, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	For the three months ended March 31, 2010	2009
Cash flows from operating activities		
Net loss	$ (4,684)	$(8,997)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	971	466
Accretion of debt discount related to notes payable	60	16
Equity-based compensation — employees and non-employees	1,205	618
Loss from investments in investees	231	—
Net recovery of bad debts	(10)	(135)
(Disposal of) provision for inventory obsolescence	(63)	46
Changes in:		
Accounts receivable	(1,668)	(347)
Inventory	885	(1,037)
Prepaid expenses and other current assets	(272)	(844)
Other assets	103	(24)
Accounts payable	513	1,164
Accrued expenses	50	1,097
Net cash used in operating activities	(2,679)	(7,977)
Cash flows from investing activity		
Acquisition of a business, net of cash	(1,447)	—
Purchase of marketable securities	(4,999)	—
Capital expenditures	(203)	(25)
Net cash used in investing activity	(6,649)	(25)
Cash flows from financing activities:		
Borrowing under lines of credit	1,165	—
Repayments under lines of credit	(821)	—
Proceeds from bridge loan with related party	—	3,000
Insurance financing	—	217
Proceeds from the exercise of stock options and warrants	2	348
Repayments of notes payable and capital lease obligations	(2)	(81)
Net cash provided by financing activities	344	3,484
Net decrease in cash and cash equivalents	(8,984)	(4,518)
Cash and cash equivalents at beginning of period	42,658	6,678
Cash and cash equivalents at end of period	$33,674	$ 2,160
SUPPLEMENTAL INFORMATION		
Interest paid	$ 46	$ 1
Issuance of capital stock to acquire Pharmacos Exakta	$ 2,000	$ —

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

OPKO Health, Inc. and Subsidiaries
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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. 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 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 accounting principles generally accepted in the United States 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 three months ended March 31, 2010, are not necessarily indicative of the results of operations and cash flows that may be reported for the remainder of 2010 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, 2009.

Principles of consolidation. The accompanying unaudited condensed consolidated financial statements include the accounts of OPKO Health, Inc. and our wholly-owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

Use of estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 for the three months ended March 31, 2010 includes net loss for the three months and the cumulative translation adjustment, net, for the translation results of our subsidiaries in Chile and Mexico. Comprehensive loss for the three months ended March 31, 2009 is comprised entirely of our net loss.

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 instrumentation 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.

Derivative financial instruments. We record derivative financial instruments on our balance sheet at their fair value and the changes in the fair value are recognized in income when they occur, the only exception being derivatives that qualify as hedges. To qualify the derivative instrument as a hedge, we are required to meet strict hedge effectiveness and contemporaneous documentation requirements at the initiation of the hedge and assess the hedge effectiveness on an ongoing basis over the life of the hedge. At March 31, 2010 and December 31, 2009, our forward contracts for inventory purchases did not meet the documentation requirements to be designated as hedges. Accordingly, we recognize all changes in fair values in income. Refer to Note 7.

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.

Allowance for doubtful accounts. We analyze accounts receivable and historical bad debt levels, customer credit worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts using the specific identification method. Our reported net loss is directly affected by our estimate of the collectability of accounts receivable. Estimated allowances for sales returns are based upon our history of product returns. The amount of allowance for doubtful accounts at March 31, 2010 and December 31, 2009, was $0.4 million and $0.4 million, respectively.

Segment reporting. Our chief operating decision-maker ("CODM") is comprised of our executive management with the oversight of our board of directors. Our CODM review our operating results and operating plans and make resource allocation decisions on a company-wide or aggregate basis. Accordingly, we have aggregated our three operating segments, instrumentation, pharmaceutical operating business and pharmaceutical and device research and development activities into two reporting segments, instrumentation and pharmaceutical as we expect the businesses to have similar long-term economic characteristics.

Equity-based compensation. We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost is recognized in the statement of operations over the period during which an employee is required to provide service in exchange for the award. We record excess tax benefits, realized from the exercise of stock options as a financing cash inflow rather than as a reduction of taxes paid in cash flow from operations. Equity-based compensation arrangements to non-employees are recorded at their fair value on the measurement date. The measurement of equity-based compensation is subject to periodic adjustment as the underlying equity instruments vest. During the three months ended March 31, 2010 and 2009, we recorded $1.2 million and $0.6 million, respectively, of equity-based compensation expense.

Recent accounting pronouncements. In March 2010, the Financial Accounting Standards Board, or FASB, issued updated guidance to amend and clarify how entities should evaluate credit derivatives embedded in beneficial interests in securitized financial assets. The updated guidance eliminates the scope exception for bifurcation of embedded credit derivatives in interests in securitized financial assets, unless they are created solely by subordination of one financial instrument to another. The update allows entities to elect the fair value option for any beneficial interest in securitized financial assets upon adoption. This guidance is effective by the first day of the first fiscal quarter beginning after June 15, 2010. Early adoption is permitted. We have not adopted this guidance early and are currently evaluating the potential effect of the adoption of this amendment on our results of operation and financial condition.

In March 2010, the FASB reached a consensus to issue an amendment to the accounting for revenue arrangements under which a vendor satisfies its performance obligations to a customer over a period of time, when the deliverable or unit of accounting is not within the scope of other authoritative literature and when the arrangement consideration is contingent upon the achievement of a milestone. The amendment defines a milestone and clarifies whether an entity may recognize consideration earned from the achievement of a milestone in the period in which the milestone is achieved. This amendment is effective for fiscal years beginning on or after June 15, 2010, with early adoption permitted. The amendment may be applied retrospectively to all arrangements or prospectively for milestones achieved after the effective date. We have not adopted this guidance early and adoption of this amendment is not expected to have a material impact on our results of operation or financial condition.

In January 2010, the FASB issued an amendment to the accounting for fair value measurements and disclosures. This amendment details additional disclosures on fair value measurements, requires a gross presentation of activities within a Level 3 rollforward and adds a new requirement to the disclosure of transfers in and out of Level 1 and Level 2 measurements. The new disclosures are required of all entities that are required to provide disclosures about recurring and nonrecurring fair value measurements. This amendment was effective as of January 1, 2010, with an exception for the gross presentation of Level 3 rollforward information, which is required for annual reporting periods beginning after December 15, 2010, and for interim reporting periods within those years. The adoption of the remaining provisions of this amendment is not expected to have a material impact on our financial statement disclosures.

In October 2009, the FASB issued an amendment to the accounting for multiple-deliverable revenue arrangements. This amendment provides guidance on determining whether multiple deliverables exist, how the arrangements should be separated and how the consideration paid should be allocated. As a result of this

amendment, entities may be able to separate multiple-deliverable arrangements in more circumstances than under existing accounting guidance. This guidance amends the requirement to establish the fair value of undelivered products and services based on objective evidence and instead provides for separate revenue recognition based upon management's best estimate of the selling price for an undelivered item when there is no other means to determine the fair value of that undelivered item. The existing guidance previously required that the fair value of the undelivered item reflect the price of the item either sold in a separate transaction between unrelated third parties or the price charged for each item when the item is sold separately by the vendor. If the fair value of all of the elements in the arrangement was not determinable, then revenue was deferred until all of the items were delivered or fair value was determined. This amendment will be effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption and retrospective application is also permitted. We have not adopted this guidance early and are currently evaluating the potential effect of the adoption of this amendment on our results of operations and financial condition.

NOTE 3 LOSS PER SHARE

Basic loss per share is computed by dividing our net loss by the weighted average number of shares outstanding during the period. Diluted earnings per 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 19,071,146 and 14,784,137 potential common shares have been excluded from the calculation of net loss per share for the three months ended March 31, 2010 and 2009, respectively, because their inclusion would be anti-dilutive. As of March 31, 2010, the holders of our Series A Preferred Stock and Series D Preferred Stock could convert their Preferred Shares into approximately 1,012,171 and 12,586,017 shares of our Common Stock, respectively.

NOTE 4 COMPOSITION OF CERTAIN FINANCIAL STATEMENT CAPTIONS

(in thousands)	March 31, 2010	December 31, 2009
Accounts receivable, net:		
Accounts receivable	$12,193	$ 9,118
Less allowance for doubtful accounts	(361)	(351)
	$11,832	$ 8,767
Inventories, net:		
Raw materials (components)	$ 2,839	$ 3,764
Work-in process	1,006	1,365
Finished products	6,481	5,632
Less provision for inventory reserve	(173)	(241)
	$10,153	$ 10,520
Intangible assets, net:		
Customer relationships	$ 7,211	$ 7,259
Technology	4,597	4,597
Product registrations	3,807	3,829
Tradename	636	578
Covenants not to compete	363	317
Other	7	7
Less amortization	(4,738)	(3,865)
	$11,883	$ 12,722

The change in value of the intangible assets reflects the foreign currency fluctuation between the Chilean peso and the US dollar at March 31, 2010 and December 31, 2009.

NOTE 5 ACQUISITION AND INVESTMENTS

On February 17, 2010, acquired Pharmacos Exakta, S.A. de C.V., a privately-owned Mexican company ("Exakta"), engaged in the manufacture, marketing and distribution of ophthalmic and other pharmaceutical products for government and private markets since 1957. Pursuant to a purchase agreement (the "Exakta Purchase Agreement") we acquired all of the outstanding stock of Exakta and real property owned by an affiliate of Exakta for a total aggregate purchase price of $3.6 million, of which an aggregate of $1.6 million was paid in cash and $2.0 million was paid in shares of our Common Stock, par value $.01. The number of shares to be issued was determined by the average closing price of the Company's Common Stock as reported on the NYSE Amex for the ten trading days ending on February 12, 2010. A total of 1,372,428 shares of OPKO Common Stock were issued in the transaction which were valued at $2.0 million due to trading restrictions. A portion of the proceeds will remain in escrow for a period of time for working capital adjustments and to satisfy indemnification claims.

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 in Chile. 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 $16 million in cash. A portion of the proceeds will remain in escrow for a period of time to satisfy indemnification claims. The transaction closed on October 7, 2009.

Effective September 21, 2009, we entered into an agreement pursuant to which we invested $2.5 million in cash 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. As of March 31, 2010 we own approximately 16% of Cocrystal's outstanding stock.

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 variable interest entity ("VIE"). In order to determine the primary beneficiary of the variable interest entity ("VIE"), we evaluated the related party group to identify who had the most significant power to control Cocrystal. Members of The Frost Group, LLC (the "Frost Group") 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 Frost Gamma Investments Trust (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. 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.

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. We own approximately 53,113,732 shares of Sorrento Common Stock, or approximately 24% of Sorrento's total outstanding common stock at March 31, 2010. The closing stock price for Sorrento's common stock, a thinly traded stock, as quoted on the over-the-counter markets was $2.99 per share on March 31, 2010.

NOTE 6 FAIR VALUE MEASUREMENTS

We record fair value at 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 March 31, 2010, we held money market funds that qualify as cash equivalents and forward contracts for inventory purchases (Refer to Note 7) that are required to be measured at fair value on a recurring basis. As of March 31, 2010, we held money market funds and treasury securities, maturing May 6, 2010, that qualify as cash equivalents as well as marketable securities which were comprised of treasury securities, maturing May 6, 2010, that are required to be measured at fair value on a recurring basis. The $10 million of treasury securities are recorded at amortized cost, which reflects their approximate fair value. Our other assets and liabilities carrying value approximate their fair value due to their short-term nature.

Upon the termination of an employee of Ophthalmics Technologies, Inc., or OTI, we became obligated at the former 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 February 2009, this employee exercised his put option and we

repurchased 27,154 shares of our Common Stock at $3.55 per share for a total of $0.1 million. In addition, an existing employee of OTI has the same provision within his employment arrangement with a potential obligation of approximately $0.3 million. We have recorded approximately $0.2 million and $0.2 million in accrued expenses as of March 31, 2010 and December 31, 2009, respectively, based on the estimated fair value of the unexercised put option.

The OTI put options were valued at fair value utilizing the Black-Scholes-Merton valuation method. During the three months ended March 31, 2010 and 2009, we recorded a reversal of expense of $15 thousand and $17 thousand, respectively, reflecting our stock price fluctuations.

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:

	Fair value measurements as of March 31, 2010			
(in thousands)	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	$ 27,486	$ —	$ —	$27,486
Treasury securities	9,999	—	—	9,999
Total assets	$ 37,485	$ —	$ —	$37,485
Liabilities:				
OTI put option	$ —	$ 161	$ —	$ 161
Forward contracts	—	82	—	82
Total liabilities	$ —	$ 243	$ —	$ 243

NOTE 7 DERIVATIVE CONTRACTS

We enter into foreign currency forward exchange contracts to cover the risk of exposure to exchange rate differences arising from inventory purchases on letters of credit. Under these forward contracts, for any rate above or below the fixed rate, we receive or pay the difference between the spot rate and the fixed rate for the given amount at the settlement date.

We record derivative financial instruments on our balance sheet at their fair value as an accrued expense and the changes in the fair value are recognized in income in other expense net when they occur, the only exception being derivatives that qualify as hedges. To qualify the derivative instrument as a hedge, we are required to meet strict hedge effectiveness and contemporaneous documentation requirements at the initiation of the hedge and assess the hedge effectiveness on an ongoing basis over the life of the hedge. At March 31, 2010, the forward contracts did not meet the documentation requirements to be designated as hedges. Accordingly, we recognize all changes in fair values in income.

The outstanding contracts at March 31, 2010, have been recorded at fair value, and their maturity details are as follows:

(in thousands) Days until maturity	Contract value	Fair value at March 31, 2010	Effect on gain (loss)
0 to 30	$ 723	$ 723	$ —
31 to 60	662	667	5
61 to 90	575	572	(3)
91 to 120	984	995	11
121 to 180	2,347	2,309	(38)
More than 180	3,072	3,015	(57)
Total	$ 8,363	$ 8,281	$ (82)

NOTE 8 RELATED PARTY TRANSACTIONS

Effective March 5, 2010, the Frost Group assigned two license agreements with Academia Sinica to the Company's subsidiary, OPKO Taiwan, Inc. The license agreements pertain to alpha-galactosyl ceramide analogs and their use as immunotherapies and peptide ligands in the diagnosis and treatment of cancer. In connection with the assignment of the two licenses, the Company agreed to reimburse the Frost Group for the licensing fees previously paid by the Frost Group to Academia Sinica in the amounts of $50 thousand and $75 thousand, respectively, as well as reimbursement of certain expenses.

Effective September 21, 2009, we entered into an agreement pursuant to which the we invested $2.5 million in Cocrystal Discovery, Inc. ("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 (the "Cocrystal 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 Cocrystal Investors agreements dated June 9, 2009, OPKO, rather than the Cocrystal Investors, made the first installment investment ($2.5 million) on September 21, 2009. Refer to Note 5.

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 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, gross rent is $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 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.

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.

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. We had previously been leasing this space from Frost Real Estate Holdings on a month-to-month basis while the parties were negotiating the lease. The lease provides for payments of approximately $18 thousand per month in the first year increasing annually to $24 thousand per month in the fifth year, plus applicable sales tax. The rent is inclusive of operating expenses, property taxes and parking.

The rent for the first year was reduced to reflect a $30 thousand credit for the costs of tenant improvements. From January 1, 2008 through October 1, 2008, we leased an additional 1,100 square feet of general office and laboratory space on a ground floor annex of our corporate office building pursuant to an addendum to the Lease, which required us to pay annual rent of $19 thousand per year for the annex space.

On September 19, 2007, we entered into an exclusive technology license agreement with Winston Laboratories, Inc. ("Winston"). Under the terms of the license agreement, Winston granted us an exclusive license to the proprietary rights of certain products in exchange for the payment of an initial licensing fee, royalties, and payments on the occurrence of certain milestones. Drs. Frost, Uppaluri and Hsiao and Mr. Rubin beneficially own approximately 30% of Winston Pharmaceuticals, Inc. and Dr. Uppaluri has served as a member of Winston's board of directors since September 2008. In connection with the license agreement, we reimbursed Winston $0, and $11 thousand for the three months ended March 31, 2010, and 2009, respectively, for services provided by Winston personnel to assist us with the clinical program for the product we licensed. We provided Winston notice of termination of the license agreement on February 23, 2010, and the agreement will be terminated on May 24, 2010.

As part of the mergers, we assumed a line of credit with the Frost Group from Acuity Pharmaceuticals, Inc., and amended and restated that line of credit to increase borrowing availability.

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. For the three months ended March 31, 2010 and 2009, we reimbursed Dr. Frost approximately $18 thousand, and $38 thousand, respectively, for Company-related travel by Dr. Frost and other OPKO executives.

NOTE 9 COMMITMENTS AND CONTINGENCIES

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 have a potential obligation of approximately $0.3 million related to a put option held by an employee. Refer to Note 6.

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.

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

NOTE 10 SEGMENTS

We currently manage our operations in two reportable segments, pharmaceutical and instrumentation segments. The pharmaceutical segment consists of two operating segments, our (i) pharmaceutical research and development segment which is focused on the research and development of pharmaceutical products, diagnostic tests and vaccines, and (ii) the pharmaceutical operations we acquired in Chile and Mexico through the acquisition of Pharma Genexx and Pharmacos Exakta. The instrumentation segment consists of ophthalmic instrumentation products and

the activities related to the research, development, manufacture and commercialization of those products. There are no inter-segment sales. We evaluate the performance of each segment based on operating profit or loss. There is no inter-segment allocation of interest expense and income taxes.

Information regarding our operations and assets for the two segments and the unallocated corporate operations as well as geographic information are as follows:

(in thousands)	For the three months ended March 31, 2010	2009
Revenue		
Pharmaceutical	$ 5,312	$ —
Instrumentation	2,610	2,301
	$ 7,922	$ 2,301
Operating loss		
Pharmaceutical	$ (644)	$ (5,070)
Instrumentation	(936)	(679)
Corporate	(2,486)	(2,833)
	$ (4,066)	$ (8,582)
Depreciation and amortization		
Pharmaceutical	$ 514	$ 5
Instrumentation	444	446
Corporate	13	15
	$ 971	$ 466
Revenue		
United States	$ 197	$ 219
Chile	4,937	—
All others	2,788	2,082
	$ 7,922	$ 2,301

	As of March 31, 2010	December 31, 2009
Assets		
Pharmaceutical	$ 37,618	$ 28,813
Instrumentation	10,873	12,262
Corporate	38,412	46,355
	$ 86,903	$ 87,430

During the three months ended March 31, 2010, our two largest customers represented 17% and 10% of our total revenue, respectively. During the three months ended March 31, 2009, our three largest customers represented 20%, 18%, and 17%, respectively, of our revenue. As of March 31, 2010, one customer represented 29% of our accounts receivable balance. As of December 31, 2009, two customers represented 32% and 19%, respectively, of our accounts receivable balance.

NOTE 11 SUBSEQUENT EVENTS

We have reviewed all subsequent events and transactions that occurred after the date of our March 31, 2010 consolidated balance sheet date through the time of filing this Quarterly Report on Form 10-Q on May 10, 2010.

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, 2009 (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, 2009. 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.

We expect to incur substantial losses as we continue the development of our product candidates, continue our other research and development activities and establish a sales and marketing infrastructure in anticipation of the commercialization of our pharmaceutical 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 substantially all of our efforts towards research and development. As of March 31, 2010, we had an accumulated deficit of $344.0 million. We do not currently generate revenue from any of our pharmaceutical product candidates and have only generated revenue from our pharmaceutical operations in Chile, Mexico and our instrumentation business. Our research and development activities are budgeted to expand over a period of 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 MARCH 31, 2010 AND 2009

Revenue. Revenue for the three months ended March 31, 2010, was $7.9 million, compared to $2.3 million for the comparable 2009 period. The increase in revenue during the first three months of 2010 is primarily due to revenue from our Pharma Genexx and Pharmacos Exakta pharmaceutical businesses in Chile and Mexico, respectively. We acquired Pharma Genexx in October 2009 and Pharmacos Exakta in February 2010, and as a result, the 2009 period reflects revenue only from our instrumentation business. Revenue from our instrumentation business increased slightly over the 2009 period, primarily as a result of increased demand from our international customers for our OCT/SLO product.

Gross margin. Gross margin for the three months ended March 31, 2010, was $2.4 million compared to $0.7 million for the comparable period of 2009. Gross margin for the three months ended March 31, 2010, increased from the 2009 period primarily as a result of the gross margin generated by our pharmaceutical business in Chile.

Selling, general and administrative expense. Selling, general and administrative expense for the three months ended March 31, 2010, was $4.2 million compared to $3.3 million of expense for the comparable period of 2009. The increase in selling, general and administrative expenses primarily reflects the increase in selling expenses related to the pharmaceutical business as a result of our acquisitions of Pharma Genexx and Pharmacos Exakta, partially offset by decreased professional fees. Selling, general and administrative expenses during the first three months of 2010 and 2009, primarily include personnel expenses, including equity-based compensation expense of $1.0 million and $0.7 million, respectively, and professional fees.

Research and development expense. Research and development expense during the three months ended March 31, 2010 and 2009, was $1.3 million and $5.7 million, respectively. The decrease for the three months ended March 31, 2010, primarily reflects the inclusion during the 2009 period of the cost of the Phase III clinical trial for bevasiranib until March 6, 2009, when the trial was shut down. The 2009 period includes the estimated shutdown costs of the trial, including transitioning patients from the trial onto the standard of care therapy. The shutdown costs include the cost of analyzing the data collected and performing statistical analysis. Partially offsetting this decrease was increased activity related to our rolapitant and diagnostic testing development programs. The three

months ended March 31, 2010, includes equity-based compensation expense of $0.2 million, compared to the 2009 period which includes a reversal of expense of $0.1 million of equity-based compensation expense related to the termination of several employees.

Other operating expenses. Other operating expenses for the three months ended March 31, 2010, as compared to the three months ended March 31, 2009, increased primarily as a result of the amortization of the intangible assets recorded as part of the acquisition of Pharma Genexx and also include amortization of intangible assets recorded as part of the acquisitions of OTI and Pharmacos Exakta.

Other income and expenses. Other expense was $0.3 million for the first three months of 2010 compared to $0.5 million for the comparable 2009 period. Other income primarily consists of interest earned on our cash and cash equivalents and interest expense reflects the interest incurred on our lines of credit.

Income taxes. Our income tax provision reflects the income tax payable in Chile, partially offset by our refundable Canadian provincial tax credit. This credit relates to research and development expenses incurred at our OTI locations.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2010, we had cash, cash equivalents and marketable securities of approximately $38.7 million. Cash used in operations during 2010 primarily reflects expenses related to selling, general and administrative activities related to our corporate and instrumentation operations, as well as our Chilean operations. Since our inception, we have not generated sufficient 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.

In connection with our acquisition of Pharma Genexx, we have entered into lines of credit agreements in the aggregate amount of $15.5 million with eight financial institutions in Chile and one in Mexico, of which, $10.8 million is unused. These lines of credit are used primarily as a source of working capital for inventory purchases.

We have a fully drawn $12.0 million line of credit with The Frost Group, LLC, or the Frost Group, a related party. The Frost Group members include a trust controlled by Dr. Frost, who is the Company's Chief Executive Officer and Chairman of the board of directors, Dr. Jane H. Hsiao, who is the Vice Chairman of the board of directors and Chief Technical Officer, Steven D. Rubin who is Executive Vice President — Administration and a director of the Company and Rao Uppaluri who is the Chief Financial Officer of the Company. We are obligated to pay interest upon maturity, capitalized 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, cash equivalents and marketable securities on hand and available to us at March 31, 2010 will be 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 products 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 cost is measured at the fair value of the award and expensed over their vesting period. 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 research and development projects, projecting regulatory approvals, estimating future cash flows and developing appropriate discount rates. We believe the estimated fair values assigned to the Pharma Genexx and Pharmacos Exakta 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. We analyze accounts receivable and historical bad debt levels, customer credit worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts using the specific identification method. Our reported net loss is directly affected by management's estimate of the collectability of accounts receivable. The allowance for doubtful accounts recognized in our consolidated balance sheets at March 31, 2010 and December 31, 2009 was $0.4 million and $0.4 million, respectively.

Recent accounting pronouncements: In March 2010, the Financial Accounting Standards Board, or FASB, issued updated guidance to amend and clarify how entities should evaluate credit derivatives embedded in beneficial interests in securitized financial assets. The updated guidance eliminates the scope exception for bifurcation of embedded credit derivatives in interests in securitized financial assets, unless they are created solely by subordination of one financial instrument to another. The update allows entities to elect the fair value option for any beneficial interest in securitized financial assets upon adoption. This guidance is effective by the first day of the first fiscal quarter beginning after June 15, 2010. Early adoption is permitted. We have not adopted this guidance early and are currently evaluating the potential effect of the adoption of this amendment on our results of operation and financial condition.

In March 2010, the FASB reached a consensus to issue an amendment to the accounting for revenue arrangements under which a vendor satisfies its performance obligations to a customer over a period of time, when the deliverable or unit of accounting is not within the scope of other authoritative literature, and when the arrangement consideration is contingent upon the achievement of a milestone. The amendment defines a milestone and clarifies whether an entity may recognize consideration earned from the achievement of a milestone in the period in which the milestone is achieved. This amendment is effective for fiscal years beginning on or after June 15, 2010, with early adoption permitted. The amendment may be applied retrospectively to all arrangements or prospectively for milestones achieved after the effective date. We have not adopted this guidance early and adoption of this amendment is not expected to have a material impact on our results of operation or financial condition.

In January 2010, the FASB issued an amendment to the accounting for fair value measurements and disclosures. This amendment details additional disclosures on fair value measurements, requires a gross presentation of activities within a Level 3 rollforward, and adds a new requirement to the disclosure of transfers in and out of Level 1 and Level 2 measurements. The new disclosures are required of all entities that are required to provide disclosures about recurring and nonrecurring fair value measurements. This amendment was effective as of January 1, 2010, with an exception for the gross presentation of Level 3 rollforward information, which is required for annual reporting periods beginning after December 15, 2010, and for interim reporting periods within those years. The adoption of the remaining provisions of this amendment is not expected to have a material impact on our financial statement disclosures.

In October 2009, the FASB issued an amendment to the accounting for multiple-deliverable revenue arrangements. This amendment provides guidance on determining whether multiple deliverables exist, how the arrangements should be separated and how the consideration paid should be allocated. As a result of this amendment, entities may be able to separate multiple-deliverable arrangements in more circumstances than under existing accounting guidance. This guidance amends the requirement to establish the fair value of undelivered products and services based on objective evidence and instead provides for separate revenue recognition based upon management's best estimate of the selling price for an undelivered item when there is no other means to determine the fair value of that undelivered item. The existing guidance previously required that the fair value of the undelivered item reflect the price of the item either sold in a separate transaction between unrelated third parties or the price charged for each item when the item is sold separately by the vendor. If the fair value of all of the elements in the arrangement was not determinable, then revenue was deferred until all of the items were delivered or fair value was determined. This amendment will be effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption and retrospective application is also permitted. We have not adopted this guidance early and are currently evaluating the potential effect of the adoption of this amendment on our results of operations and financial condition.

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.

Foreign Currency Exchange Rate Risk — Although we do not speculate in the foreign exchange market, we may from time to time manage exposures that arise in the normal course of business related to fluctuations in foreign currency exchange rates by entering into offsetting positions through the use of foreign exchange forward contracts. Certain firmly committed transactions are hedged with foreign exchange forward contracts. As exchange rates change, gains and losses on the exposed transactions are partially offset by gains and losses related to the hedging contracts. Both the exposed transactions and the hedging contracts are translated at current spot rates, with gains and losses included in earnings.

Our derivative activities, which consist of foreign exchange forward contracts, are initiated to hedge forecasted cash flows that are exposed to foreign currency risk. The foreign exchange forward contracts generally require us to exchange local currencies for foreign currencies based on pre-established exchange rates at the contracts' maturity dates. As exchange rates change, gains and losses on these contracts are generated based on the change in the exchange rates that are recognized in the consolidated statement of operations at maturity, and offset the impact of the change in exchange rates on the foreign currency cash flows that are hedged. If the counterparties to the exchange contracts do not fulfill their obligations to deliver the contracted currencies, we could be at risk for currency related fluctuations. We enter into these contracts with counterparties that we believe to be creditworthy and do not enter into any leveraged derivative transactions. We had $8.4 million in foreign exchange forward contracts outstanding at March 31, 2010, primarily to hedge Chilean-based operating cash flows against US dollars.

If Chilean Pesos were to strengthen in relation to the US dollar, our hedged foreign currency cash-flows expense would be offset by a loss on the derivative contracts, with a net effect of zero.

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.

Interest Rate 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 March 31, 2010, we had cash, cash equivalents and marketable securities of $38.7 million. The weighted average interest rate related to our cash and cash equivalents for the three months ended March 31, 2010 was 0%. As of March 31, 2010, the principal value of our credit lines was $16.7 million, and have a weighted average interest rate of 8%.

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 March 31, 2010. Based on that evaluation, management has concluded that the Company's disclosure controls and procedures are effective to ensure that information the Company is required to disclose in reports that it files or submits under the Securities Exchange Act is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes to the Company's Internal Control Over Financial Reporting

In connection with our acquisitions of Pharmacos Exakta and Pharma Genexx, we began implementing a new accounting system, as well as standards and procedures, upgrading and establishing controls over accounting systems and adding employees who are trained and experienced in the preparation of financial statements in accordance with U.S. GAAP to ensure that we have in place appropriate internal control over financial reporting at Pharma Genexx and Pharmacos Exakta. Other than as set forth above with respect to Pharma Genexx and Pharmacos Exakta, there have been no changes to the Company's internal control over financial reporting that occurred during the Company's first fiscal quarter 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

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

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

On February 17, 2010, the Company entered into an agreement to acquire Pharmacos Exakta, S.A. de C.V., a privately-owned Mexican company ("Pharmacos Exakta"). Pursuant to a purchase agreement (the "Purchase Agreement") by and among Pharmacos Exakta, Ignacio Levy García and José de Jesús Levy García (each a "Seller" and collectively the "Sellers"), Inmobiliaria Chapalita, S.A. de C.V., an affiliate of Sellers ("Inmobiliaria"), the Company, OPKO Health Mexicana S. de R.L. de C.V. ("Buyer"), and OPKO Manufacturing Facilities S. de R.L. de C.V. ("OMF"), Buyer and OMF acquired all of the outstanding stock of Pharmacos Exakta and real property owned by Inmobiliaria for a total aggregate purchase price of $3.6 million, of which an aggregate of $1.6 million was paid in cash and $2.0 million was paid in shares of OPKO Common Stock, par value $.01. A total of 1,372,428 shares of OPKO Common Stock (the "Shares") were issued in the transaction which were valued at $2.0 million due to trading restrictions. The Shares were issued in reliance upon the exemption from registration under Section 4(2) of the Securities Act of 1933, as amended. The Shares are "restricted securities" as that term is defined by Rule 144 under the Act and no registration rights have been granted. The Shares delivered at closing of the transaction are also subject to a two year contractual lockup.

Item 3. Defaults Upon Senior Securities

None.

Item 4. (Removed and Reserved)

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 6, 2008, among Vidus Ocular, Inc., OPKO Instrumentation, LLC, OPKO Health, Inc., and the individual sellers and noteholders named therein.
Exhibit 2.3	Purchase Agreement, dated February 17, 2010, among Ignacio Levy García and José de Jesús Levy García, Inmobiliaria Chapalita, S.A. de C.V., Pharmacos Exakta, S.A. de C.V., OPKO Health, Inc., OPKO Health Mexicana S. de R.L. de C.V., and OPKO Manufacturing Facilities S. de R.L. de C.V.
Exhibit 3.1[(2)]	Amended and Restated Certificate of Incorporation.
Exhibit 3.2[(3)]	Amended and Restated By-Laws.
Exhibit 4.1[(1)]	Form of Common Stock Warrant.
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 March 31, 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 March 31, 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 March 31, 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 March 31, 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.

(6) Filed with the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 12, 2008 for the Company's three-month period ended September 30, 2008, and incorporated herein by reference.

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: May 10, 2010

OPKO Health, Inc.

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

Exhibit Index

Exhibit Number	Description
Exhibit 2.3	Purchase Agreement, dated February 17, 2010, among Ignacio Levy García and José de Jesús Levy García, Inmobiliaria Chapalita, S.A. de C.V., Pharmacos Exakta, S.A. de C.V., OPKO Health, Inc., OPKO Health Mexicana S. de R.L. de C.V. and OPKO Manufacturing Facilities S. de R.L. de C.V.
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PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is entered into as of February 17, 2010, among **Ignacio Levy García and José de Jesús Levy García** (each a "Seller" and collectively the "Sellers"), **Inmobiliaria Chapalita, S.A. de C.V.** ("Inmobiliaria"), **Pharmacos Exakta, S.A. de C.V.**, a company formed under the laws of Mexico (the "Company"), **OPKO Health, Inc.,** a company formed under the laws of Delaware ("OPKO"), **OPKO Health Mexicana S. de R.L. de C.V.** ("Buyer") and OPKO Manufacturing Facilities S. de R.L. de C.V. ("OMF").

Preliminary Statements

A. Sellers collectively own all of the issued and outstanding shares of capital stock of the Company, and desire to sell to Buyer, and Buyer desires to purchase, on the terms and subject to the conditions set forth in this Agreement, all of such shares except for one of those shares which will be acquired by OMF.

B. On the Closing Date, OMF shall enter into a Land Purchase Agreement in the form attached hereto as Exhibit A with Inmobiliaria, an Affiliate of the Company, pursuant to which it is acquiring certain real estate including the building thereof (the "Plant") used by the Company in the operation of the Business (the "Land Purchase Agreement").

C. On the Closing Date the Company shall terminate with Ignacio Levy García certain lease agreements, and Ignacio Levy García shall enter into new Lease Agreements in the form attached hereto as Exhibit B for the lease of (with an option to acquire) certain real properties used by the Company in the operation of the Business (the "Lease").

Agreement

In consideration of the preliminary statements and the respective mutual covenants, representations and warranties contained in this Agreement, the parties agree as set forth below.

ARTICLE 1

DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms when used in this Agreement shall have the meanings indicated below:

"Affiliate" of a specified Person means a Person who directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the specified Person. As used in the foregoing sentence, the term "control" (including, with correlative meaning, the terms "controlling," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or otherwise.

"Agreement" means this Agreement together with all exhibits and schedules referred to herein.

"Average Closing Sales Price" means $1.75, the average closing sales price of a share of OPKO Health Common Stock, as published in The Wall Street Journal, for the ten (10) trading day period ending at the close of trading on February 12, 2010.

"Closing Date" means February 17, 2009 or such other closing date as may be mutually agreed to among the parties in writing.

"Closing Financial Statements" means the unaudited closing statement of operations and statement of cash flows from January 1, 2010 through February 5, 2010 and the balance sheet as of February 5, 2010 of the Company provided by the Sellers to the Buyer in accordance with Section 4.9.

"Company Capital Stock" means the capital stock of the Company as described in Section 4.7.

"Company Products" means all those products identified in Exhibit C.

"Contracts" means all contracts, agreements, covenants, commitments and other instruments of any kind, to which the Company is a party or to which the assets or properties of the Company are bound.

"Environmental Laws" means any applicable statute, law, ordinance, regulation, rule, code or order and any enforceable judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of the environment or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Escrow" means all the Escrow Shares deposited with the Escrow Agent under the Escrow Agreement.

"Escrow Agreement" means the escrow agreement to be entered into as of the Closing Date among the Sellers, Buyer, OPKO and the escrow agent, in the form attached hereto as Exhibit D.

"Hazardous Materials" means (a) any petroleum, petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials or polychlorinated byphenyls or (b) any chemical, material or substance defined or regulated as toxic or hazardous or as a pollutant or contaminant or waste under any applicable Environmental Laws.

"Intellectual Property" means any or all of the following owned, used, controlled by or residing in the Company prior to the Closing Date: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof; (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names (including "Exakta"), together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith; (c) all copyrightable works, all copyrights in both published and unpublished works, and all applications, registrations, and renewals in connection therewith; (d) all Know-How; (e) all computer programs and software (including data and source and object codes and related documentation); (f) all other property rights and all licenses and sublicenses granted by or to the Company that relate to any of the foregoing; and (g) all copies and tangible embodiments thereof (in whatever form or medium).

"Know-How" means all trade secrets and confidential business information (including, without limitation, databases, ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, plans, drawings, specifications, blueprints, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals).

"Knowledge" means, with respect to any representation or warranty or other statement in this Agreement qualified by knowledge, the actual knowledge, information or belief of any party as to the matters that are the subject of such representation, warranty or other statement, or any knowledge, information, or belief that such party should have after a due and diligent investigation. Where reference is made to the knowledge of any party, such reference shall be deemed to include the directors, officers and managerial employees of such party, as well as each of the Sellers in the case of the Sellers and the Company, all of whom shall be deemed to have conducted the investigation required by this definition. Any knowledge of any Seller shall be imputed to all the Sellers.

"Law" means any applicable law, statute, ordinance, rule, regulation, order, writ, judgment or decree.

"Liabilities" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due).

"Liens" means any liens, claims, charges, rights, pledges, security interests, mortgages, options, title defects or other encumbrances, restrictions or limitations of any nature whatsoever.

"Material Adverse Effect" means any change in or effect on the business of the Company that is, or could reasonably be expected to be, materially adverse to the business, assets (including intangible assets), liabilities (contingent or otherwise), condition (financial or otherwise), or results of operations of the Company.

"Net Working Capital" shall mean (i) the current Assets of the Corporation (including without limitation, cash, cash equivalents, Accounts Receivable, Inventory and prepaid expenses), plus (ii) the expenses incurred by Sellers or the Company in preparing the financial information in accordance with US GAAP less (ii) the current Liabilities of the Corporation (including without limitation accrued bonuses, severance, transaction costs, Occupancy Costs, and accrued but unpaid interest and Taxes), as shown on the Closing Financial Statements, and deferred Tax of cumulative inventory *("Inventario acumulable")* calculated in accordance with Mexican GAAP consistent with past practices, and delivered in accordance with US GAAP.

"OPKO Common Stock" means the common stock of OPKO, par value US$.01 per share.

"Organizational Documents" means any and all documents pursuant to which an entity is organized and/or operates under the applicable laws of its jurisdiction.

"Person" means any natural person, corporation, unincorporated organization, partnership, association, joint stock company, joint venture, trust or government, or any agency or political subdivision of any government, or any other entity.

"Product Data" means all toxicology, pre-clinical, clinical, and manufacturing information and data, and all submissions and correspondence with or to any governmental or regulatory authority regarding any Product, all as any of the above may be in the Company or any Seller's possession or control.

"Product Inventory" all inventory owned as of the Closing Date by the Company (including sample inventory) thereof of finished Product or works in progress or materials used in the manufacture of finished Product, whether held at a location or facility of the Company (or of any other Person on behalf of the Company) or in transit to or from the Company.

"Regulatory Approvals" means the new drug applications and new drug submissions for the Products and all amendments and supplements thereto, whether through an abbreviated procedure or through a new molecule procedure, or otherwise.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Subsidiary" of any Person means any Person, whether or not capitalized, in which such Person owns, directly or indirectly, an equity interest of 50% or more, or any Person which may be controlled, directly or indirectly, by such Person, whether through the ownership of voting securities, by contract, or otherwise.

"Tax(es)" means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, all gross receipts, *ad valorem,* value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, assets, minimum income, environmental, customs duties, fees, real property, personal property, capital stock, social security obligations or contributions, unemployment, disability, payroll, license, employee or other withholding, or other tax or governmental charge, of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing, or credit or reimbursement in respect of the foregoing; the foregoing shall include any transferee or secondary liability for a Tax and any liability assumed by agreement or arising as a result of being (or ceasing to be) a member of any affiliated group (or being included, or required to be included, in any tax return relating thereto).

"Transaction Documents" means this Agreement and all other documents to be executed and delivered by either party pursuant to or in connection with this Agreement and consummation of the transactions contemplated hereby, including without limitation, the Lease, the Land Purchase Agreement, and the Escrow Agreement.

"US$" means currency of the United States of America.

"US GAAP" means accounting principles generally accepted in the United States of America.

ARTICLE 2

PURCHASE OF SECURITIES AND OF REAL ESTATE; CONSIDERATION

2.1 Securities and Real Estate to be Purchased; Closing.

(a) Subject to the terms and conditions set forth herein, on the Closing Date, (i) each of the Sellers shall sell to Buyer, and Buyer shall purchase from each of the Sellers, all of such Seller's right, title and interest in and to the Company Capital Stock, indicated next to such Seller's name on Schedule 2.1, except for one of the shares which will be acquired by OMF, which shall represent all of the issued and outstanding Company Capital Stock as of the Closing Date, and (ii) Inmobiliaria shall sell to OMF and OMF shall purchase from Inmobiliaria all of Inmobiliaria's right, title and interests in the Plant. To give effect to such sale, each of the Sellers hereby waives any preemption rights it may have in relation to any of the Company Capital Stock.

(b) Subject to the terms and conditions of this Agreement, the sale and purchase of the Company Capital Stock and of the Plant contemplated hereby and the transfers and deliveries to be made pursuant to this Agreement shall take place at a closing at the offices of Buyer at 4400 Biscayne Boulevard, Miami, Florida (the "Closing") at 12:00 p.m. local time, on the Closing Date, or at such other place as may be agreed to by the parties in writing. All proceedings to be taken and all documents to be executed at the Closing shall be deemed to have been taken, delivered and executed simultaneously, and no proceeding shall be deemed taken nor documents deemed executed or delivered until all have been taken, delivered and executed.

(c) At the Closing, the Sellers shall deliver or cause to be delivered to Buyer (i) all of the certificates representing the Company Capital Stock indicated next to such Seller's name on Schedule 2.1, sufficient to convey to Buyer good title to the Company Capital Stock, free and clear of any and all claims or Liens of any nature whatsoever and together with all accrued benefits and rights attaching thereto, (ii) the effective written resignations of each of the directors and officers of the Company, as may be requested by Buyer, (iii) a public deed issued by a Mexican Public notary transferring all rights, title and interests in the Plant free and clear of any and all claims or Liens of any nature whatsoever, and (iv) such other documents as may be specified, or required by Buyer to satisfy the conditions set forth, in Section 8.1.

2.2 Consideration.

(a) In consideration of the sale, assignment, transfer and delivery of the Company Capital Stock by Sellers to Buyer and of the Plant by Inmobiliaria to OMF, at the Closing, OPKO shall pay (i) to Inmobiliaria (on behalf of and as per instructions of OMF), an amount of Nine Hundred and Fifty Thousand United States Dollars (US$950,000.00) and (ii) to Sellers (on behalf of and as per instructions of Buyer) an amount of Three Million and Fifty Thousand United States Dollars (US$3,050,000.00), in the manner described in (i), (ii), (iii), (iv), (v) and (b) below (as may be adjusted in accordance with Section 2.3(a). OPKO on behalf of Buyer shall, however, withhold twenty percent of the consideration for the sale of the capital Stock of the Company in compliance with Mexican Laws, and Sellers shall deliver to Buyer a duly filed certification by a Certified Public Accountant that complies with Mexican Law as to the calculation of the Taxes payable by Sellers derived from the sale the capital stock of the Company. At Closing and subject to any such amounts which must be withheld, OPKO on behalf of Buyer shall pay the following amounts at Closing:

(i) Nine Hundred and Fifty Thousand United States Dollars (US$950,000,000) payable to Inmobiliaria in immediately available funds to an account designated by Inmobiliaria;

(ii) Three Hundred Thousand United States Dollars (US$300,000) payable to Sellers in immediately available funds to an account designated by Sellers;

(iii) Fifty Thousand United States Dollars (US $50,000) payable to Sellers and delivered to the Escrow Agent to secure Seller's obligations under Section 5.5 (the "Betalactamic Cleanup Escrow"); (such amount together with the amount payable pursuant to subsections (i) and (ii) above hereinafter referred to as the "Cash Consideration");

(iv) Two Million Four Hundred Thousand U.S Dollars (US$2,400,000), payable in shares of OPKO Common Stock to Sellers as follows: (A) delivery to the Escrow Agent of that number of shares having an aggregate value of Eight Hundred Thousand United States Dollars (US$800,000), and calculated by dividing such amount by the Average Closing Sales Price (the "Escrow Shares"), and (B) delivery to the Sellers, in proportion to their percent ownership of the Company as set forth in Schedule 2.1, that number of shares having an aggregate value of One Million Six Hundred Thousand United States Dollars (US$1,600,000), and calculated by dividing such amount by the Average Closing Sales Price (the "Closing Shares"). The Closing Shares and the Escrow Shares are collectively referred to herein as the "Stock Consideration.

(v) Buyer shall hold back Three Hundred Thousand U.S. Dollars ($300,000) of the Purchase Price in immediately available funds to offset any Working Capital Deficiency in accordance with Section 2.3 (the "Working Capital Holdback").

(b) For a period of two years from Closing (the "Lock-Up Period"), the Sellers will not be entitled to sell, transfer or otherwise dispose of the Closing Shares except as otherwise provided in Section 5.4(b).

2.3 Purchase Price Adjustment; Dispute.

(a) If on the Closing Date, the Estimated Net Working Capital (as defined in Section 4.9) is less than the Agreed Net Working Capital (as defined in Section 4.27), the Cash Consideration to be paid to Sellers at Closing pursuant to Section 2.2 shall be adjusted downward dollar-for-dollar by the amount of the deficiency (the "Closing Adjustment"). Within sixty (60) days after the Closing Date, or as soon thereafter as is reasonably practicable after using commercially reasonable efforts, Buyer will prepare and deliver to Sellers (i) a closing balance sheet (the "Closing Date Balance Sheet") of the Company, as of the Closing Date, in accordance with US GAAP and (ii) a calculation (the "Working Capital Calculation") of the Working Capital of the Company as of the Closing Date (the " Closing Date Working Capital"). Within fifteen (15) days of receipt from Buyer of the Working Capital Calculation, Sellers shall notify Buyer in writing in accordance with Section 2.3(b) if they disagree with the accuracy of Buyer's proposed Working

Capital Calculation. Failure of Sellers to dispute the Working Capital Calculation in writing within such fifteen-day period shall result in a final determination of the Closing Date Working Capital as specified by Buyer. If the Closing Date Working Capital as set forth in Buyer's Working Capital Calculation or, if disputed, as finally determined pursuant to Section 2.3(b), is less than the Estimated Net Working Capital (the "Working Capital Deficiency"), the aggregate purchase price shall be adjusted downward dollar-for-dollar in the amount of the sum of the Working Capital Deficiency, provided that the Working Capital Deficiency exceeds US $10,000. Upon such determination, Buyer shall reduce from the Working Capital Holdback the amount of the Working Capital Deficiency, and deliver to Sellers any remaining balance from the Working Capital Holdback. In the event the Working Capital Holdback is less than the Working Capital Deficiency, the Sellers shall immediately pay Buyer, by wire transfer of immediately available funds (in United States Dollars), an amount equal to the difference between the Working Capital Holdback and the Working Capital Deficiency. In the event that the Working Capital Holdback is less than the Working Capital Deficiency and Sellers fail to pay Buyer the difference between the Working Capital Holdback within (5) days of a final determination of Working Capital Deficiency as provided in Section 2.3(a) the Escrow Agent shall release sufficient Escrow Shares that shall represent such amount in accordance with Section 6.4(d). If the Closing Date Working Capital (as finally determined) is greater than the Estimated Net Working Capital (the "Working Capital Surplus"), the aggregate purchase price shall be adjusted upward dollar-for-dollar in an amount equal to the Working Capital Surplus, provided that such Working Capital Surplus exceeds US$10,000, and shall be paid to Sellers by wire transfer of immediately available funds (in United States Dollars).

(b) If Sellers dispute the Closing Date Balance Sheet or the Closing Date Working Capital as set forth in Buyer's Working Capital Calculation, then, within the fifteen (15) day period referred to in paragraph (a) above, Sellers shall give Buyer a detailed written statement identifying all disputed items (collectively, the "Disputed Amounts"). Buyer and Sellers shall use reasonable efforts to resolve any such dispute. If Buyer and Sellers are unable to finally resolve such dispute within ten (10) days after Buyer's receipt of Seller's statement of Disputed Amounts, then the dispute shall be resolved by an independent registered public accounting firm that is reasonably acceptable to Buyer and Sellers (the "Independent Accounting Firm") considering recent past, current and anticipated future engagements. Buyer and Sellers shall retain the Independent Accounting Firm within ten (10) days of the end of the ten (10) day period for Buyer and Sellers to resolve their dispute. The determination of the Independent Accounting Firm shall be made as promptly as practicable and shall be final and binding on Buyer and Sellers. The fees and expenses of the Independent Accounting Firm shall be allocated between Buyer and Sellers so that Sellers' aggregate share of such fees and expenses bears the same proportion to the total amount of such fees and expenses as the Disputed Amounts unsuccessfully contested by Seller(s) bears to the total of the Disputed Amounts submitted to the Independent Accounting Firm.

2.4 Escrow.

(a) The Betalactamics Cleanup Escrow shall exist solely for the purpose of securing Sellers' obligations under Section 5.5 of this Agreement. Upon the earlier of completion of the sanitary cleanup by Buyer or nine (9) months from the date of Closing, Buyer and Sellers shall instruct the Escrow Agent to remit the difference (if any) to Sellers between the amount of the Betalactamics Cleanup Escrow and the expenses actually and reasonably incurred by Buyer in conducting the sanitary clean-up activities.

(b) The Escrow Shares shall provide security of Sellers' payment to Buyer of all amounts due as a result of (i) the indemnification obligations in ARTICLE 6 of this Agreement, (ii) any purchase price adjustments pursuant to Section 2.3 of this Agreement, including without limitation monies due to Buyer due to a Working Capital Deficiency that are not satisfied from the Working Capital Holdback, (iii) betalactamic clean-up expenses that exceed the Betalactamics Cleanup Escrow amount, and (iv) any other claims or costs or expenses arising under this Agreement which are the responsibility of Sellers.

(c) The Escrow Shares shall be available to satisfy indemnification claims pursuant to Article 6 of this Agreement for a period of seven (7) years, provided that:

(i) Within ten days following the second anniversary of the Closing, Buyer shall instruct Escrow Agent to distribute to Sellers Two Hundred Thousand United States Dollars ($200,000) of OPKO Common Stock (less the sum of (i) the amount of any claims paid or pending under the Escrow Fund as of such date, plus (ii) One Hundred Thousand United States Dollars ($100,000), in the event the registration of the Exatka trademarks referenced in Section 4.25 shall not have been obtained by such date). The amount retained relating to the Exakta marks shall be released to Sellers if such registration is obtained prior to the 36th month after the Closing date. The number of shares of OPKO Common Stock to be released to Sellers shall be calculated in accordance with Section 6.4(d).

(ii) Within ten days following the fourth anniversary of the Closing, Buyer shall instruct Escrow Agent to distribute to Sellers Two Hundred Thousand United States Dollars ($200,000) of OPKO Common Stock (less the amount of any claims paid or pending under the Escrow as of such date), and it being understood that the amounts remaining in the Escrow shall be available solely to satisfy indemnification claims as a result of Seller's breach of the representations and warranties contained in Sections 4.20 and any other tax obligation or liability arising from operation of the Company's business prior to closing. The number of shares of OPKO Common Stock to be released to Sellers shall be calculated in accordance with Section 6.4(d).

(iii) Within ten days following the seventh anniversary of the Closing, Buyer shall instruct Escrow Agent to distribute to Sellers the remaining Escrow Shares (less the amount of any claims pending under the Escrow as of such date),

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF BUYER, OMF AND OPKO

In order to induce Sellers to enter into this Agreement and to consummate the transactions contemplated hereby, each of Buyer, OMF and OPKO makes the representations and warranties set forth below to Sellers on the date hereof.

3.1 Organization. Each of Buyer and OMF are corporations duly organized and validly existing under the laws of Mexico. OPKO is a corporation duly organized and validly existing under the laws of Delaware.

3.2 Authorization; Enforceability. Each of Buyer, OMF and OPKO has all requisite right, power and authority to execute and deliver the Transaction Documents and to consummate the transactions contemplated thereby. The execution and delivery of the Transaction Documents by each of Buyer, OMF and OPKO and the consummation by Buyer, OMF and OPKO of the transactions contemplated thereby have been duly authorized by all requisite corporate action. This Agreement has been duly executed and delivered by Buyer, OMF and OPKO, and constitutes the legal, valid and binding obligation of each of OMF and OPKO, enforceable in accordance with its terms.

3.3 No Consent, Violation or Conflict. The execution and delivery of the Transaction Documents by each of Buyer, OMF and OPKO, the consummation by each of Buyer, OMF and OPKO of the transactions contemplated thereby, and compliance by each of Buyer, OMF and OPKO with the provisions hereof: (a) do not and will not violate or, if applicable, conflict with any provision of Law, or any provision of either Buyer, OMF or OPKO's Organizational Documents; and (b) do not and will not, with or without the passage of time or the giving of notice, result in the breach of, cause the acceleration of performance or constitute a default or require any consent under, any instrument or agreement to which either Buyer, OMF or OPKO is a party or by which their properties may be bound or affected, other than instruments or agreements as to which consent shall have been obtained at or prior to the Closing Date or any breaches or defaults which would not affect Buyer, OMF, and OPKO's 's ability to consummate the transactions contemplated thereby.

3.4 Brokers. Neither Buyer or OPKO has employed any financial advisor, broker or finder and has not incurred and will not incur any broker's, finder's, investment banking or similar fees, commissions or expenses, in connection with the transactions contemplated by this Agreement, which would be payable by Sellers.

3.5 Consent of Governmental Authorities. Each of Buyer, OMF and OPKO has obtained, or will obtain prior to the Closing, all necessary authorizations and no further consent, approval or authorization of, or registration, qualification or filing with any governmental or regulatory authority, or any other Person, is required to be made or obtained by Buyer, OMF or OPKO in connection with the execution and delivery of the Transaction Documents, or the consummation by the Buyer, OMF and OPKO of the transactions contemplated thereby.

3.6 Legal Proceedings. There is no action, claim, dispute, suit, investigation or proceeding pending or, to Buyer's Knowledge, threatened against Buyer, OMF or OPKO or any of their properties or rights, nor any judgment, order, injunction or decree before any court, arbitrator or administrative or governmental body which might adversely affect or restrict the ability of Buyer, OMF or OPKO to consummate the transactions contemplated by the Transaction Documents, or to perform its obligations thereunder.

3.7 Validity of Stock Consideration; Listing. When issued and delivered in accordance with this Agreement, the Stock Consideration shall be (a) duly and validly authorized, issued and outstanding, fully paid and non-assessable, (b) listed for trading on the NYSE Amex Exchange, and (c) free and clear of any Liens, except as provided (i) in the escrow provisions specified in Section 2.4, (ii) the lock-up provisions specified in Section 5.4, and (iii) by U.S. Securities Laws. The OPKO Common Stock shall have the rights, privileges and preferences set forth in its Amended and Restated Certificate of Incorporation.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

In order to induce Buyer, OPKO and OMF to enter into this Agreement and to consummate the transactions contemplated hereby, the Sellers jointly and severally make the representations and warranties set forth below to Buyer and OPKO as of the date hereof, except as otherwise noted herein or as set forth in the Disclosure Schedules prepared by Sellers and the Company and delivered and attached hereto (the "Disclosure Schedules"). For purposes of these representations and warranties, Sellers represent that they are the only shareholders and administrators of Inmobiliaria and therefore they represent and warrant to Buyer with respect to Inmobiliaria as mentioned below:

4.1 Organization. Each of the Company and Inmobiliaria is a corporation duly organized and validly existing under the laws of Mexico. Each of the Company and Inmobiliaria is duly qualified or licensed to do business in each jurisdiction where the character of the properties owned or operated by it or the nature of its business makes such qualification or licensing necessary. The Company has all requisite right, power and authority to (a) own and operate its properties, (b) conduct its business as presently conducted and (c) engage in and consummate the transactions contemplated hereby. The Company is not in default under its Organizational Documents.

4.2 Authorization; Enforceability. Each of the Company, Inmobiliaria and each of the Sellers has all requisite right, power and authority to execute and deliver the Transaction Documents and consummate the transactions contemplated thereby. The execution and delivery of the Transaction Documents by the Company, Inmobiliaria and each of the Sellers and the consummation by the Company, Inmobiliaria and each of the Sellers of the transactions contemplated thereby have been duly authorized by all requisite corporate action. This Agreement has been duly executed and delivered by the Company and each of the Sellers and constitutes the legal, valid and binding obligations of such party, enforceable in accordance with its terms.

4.3 No Consent, Violation or Conflict. With respect to the Company, Inmobiliaria and each of the Sellers, the execution and delivery of the Transaction Documents and the consummation of the transactions contemplated thereby, and compliance by the Company, Inmobiliaria and each of the Sellers with the provisions hereof, (a) do not and will not violate or, if applicable, conflict with any provision of Law, or any provision of the Company's, Inmobiliaria's or such Seller's Organizational Documents, and (b) except as describe in Schedule 4.3 (b) do not and will not, with or without the passage of time or the giving of notice, result in the breach of, cause the acceleration of performance or constitute a default or require any consent under, or result in the creation of any Lien upon any property or assets of the Company or Inmobiliaria pursuant to any instrument or agreement to which any of the Company or Inmobiliaria is a party or by which the Company's or Inmobiliaria's properties may be bound or affected.

4.4 Consent of Governmental Authorities. Each of the Company, Inmobiliaria and each of the Sellers have obtained all necessary authorizations and no further consent, approval or authorization of, or registration, qualification or filing, with any governmental or regulatory authority, or any other Person, is required to be made or obtained by the Company, Inmobiliaria or any of the Sellers in connection with the execution and delivery of the Transaction Documents by the Company, Inmobiliaria and each of the Sellers or the consummation by the Company, Inmobiliaria and each of the Sellers of the transactions contemplated thereby.

4.5 Brokers. The Company, Inmobiliaria and Sellers have not incurred and will not incur any broker's, finder's, investment banking or similar fees, commissions or expenses in connection with the transactions contemplated by this Agreement, which would be payable by Buyer or the Company after the Closing Date.

4.6 Organizational Documents and Corporate Records. A true and complete copy of the Organizational Documents of the Company, as amended, will be delivered to Buyer on the Closing Date. The minute book of the Company (the "Corporate Minute Book"), the shares registry book of the Company (the "Share Registry Book") and the capital variation book of the Company (the "Capital Variation Book") (the Corporate Minute book, the Share Registry Book and the Capital Variation Book all together (the "Corporate Books") with all registrations signed by the sole administrator of the Company will also be delivered to the Buyer on the Closing Date. Such Corporate Books contain complete and accurate records of all meetings and other corporate actions of the board of directors and/or the shareholders of the Company from 1993 to the date hereof and all transfers of shares issued by the Company and variation in the capital stock of the Company. Specifically Sellers and the Company represent that all Corporate Books that existed from the date of Incorporation of the Company to January 1, 1993, got lost and therefore specifically represent and warrant that all information contained in the Corporate Books is the due continuation of all corporate records and transfers of shares that existed prior to January 1, 1993. All matters requiring the authorization or approval of the board of directors and/or the shareholders of the Company have been duly and validly authorized and approved by them.

4.7 Capitalization. The authorized share capital of the Company, the names of the holders thereof and the amount of capital held by each such holder, is set forth on Schedule 2.1 ("Company Capital Stock"). All of the Company Capital Stock, including all Company Capital Stock issued prior to the Closing Date has been and will be duly authorized and are and will be validly issued, fully paid and nonassessable. Sellers are and will be the only legal, record and beneficial owners of the Company Capital Stock listed opposite their respective names on Schedule 2.1, and such Company Capital Stock is and will be owned free and clear of any Liens whatsoever, including, without limitation, claims or rights under any voting trust agreements, shareholder agreements or other agreements. The Company has no Subsidiaries or investment or equity interest in any other Person. None of the Company Capital Stock was or will be issued in violation of any law, preemptive right or agreement. At the Closing, Sellers will transfer and convey and Buyer will acquire good and valid title to the Company Capital Stock free and clear of all Liens. No written or oral agreement or understanding with respect to the disposition of the Company Capital Stock or any rights therein, other than this Agreement, exists.

4.8 Rights, Warrants, Options. There are no options, warrants or other rights, arrangements or commitments of any character to which the Company or any of the Sellers is a party or by which the Company or any of the Sellers is bound relating to the issued or unissued Company Capital Stock or obligating the Company to issue or sell any Company Capital Stock, or other equity interests in, the Company. There are no outstanding obligations of the Company to redeem or otherwise acquire any of the Company Capital Stock and there are no outstanding contractual obligations of the Company to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other Person.

4.9 Financial Statements. Schedule 4.9 includes (i) a true and complete copy of the audited balance sheet of the Company for the fiscal year ended on December 31, 2008, and the audited consolidated profit and loss statement and statement of cash flows for the fiscal year ended on December 31, 2008, including any related notes and the schedules thereto, certified by the Company's independent registered public accounting firm pursuant to its audit of the financial records of the Company, and (ii) the unaudited consolidated profit and loss statement and statement of cash flows of the Company for the six months ending on June 30, 2009 and 2008, respectively, including any notes and schedules thereto (collectively, the "Financial Statements"). The Financial Statements: (a) have been prepared in accordance with the books of account and records of the Company; (b) fairly present, and are true, correct and complete statements in all material respects of the consolidated financial condition of the Company and the results of its operations at the dates and for the periods specified in those statements; and (c) have been prepared in accordance with Mexican GAAP consistently applied with prior periods and delivered in accordance with U.S. GAAP. At the Closing Date, the Company shall deliver to Buyer Closing Financial Statements of the Company. The Closing Financial Statements will (a) be prepared in accordance with the books of account and records of the Company (b) fairly present, a true, correct and complete statement in all material respects of the consolidated financial condition of the Company as of February 5, 2010, and (c) be prepared in accordance with Mexican GAAP consistently applied with prior periods and delivered on an estimated basis in accordance with U.S. GAAP. The Closing Financial Statements delivered to Buyer shall also include a good faith estimate by Sellers of the Company's Net Working Capital under US GAAP on the Closing Date ("Estimated Net Working Capital").

4.10 Absence of Undisclosed Liabilities. As of the Closing Date, the Company has no debts, claims, Liabilities, commitments or obligations of any nature whatsoever, whether accrued, absolute, contingent or otherwise, other than as provided for and disclosed in this Agreement and disclosed, accrued for or reserved against in the Financial Statements or in the Closing Financial Statements. There is no basis for assertion against the Company of any such debt, claim, Liability, commitment, obligation or loss, which could have a Material Adverse Effect. For the avoidance of doubt, Sellers acknowledge that Buyer is not assuming any such debts, claims, Liabilities, commitments, obligations or losses not disclosed in this Agreement and disclosed and accrued for or reserved against in the Financial Statements or the Closing Financial Statements, and Buyer will be indemnified for such pursuant to Section 6.4.

4.11 Compliance with Laws. Except as set forth on Schedule 4.11, the Company is in compliance with all Laws applicable to it, its business, or its properties or has made all necessary filings to be in compliance with all such Laws, including, without limitation, those relating to (a) the development, testing, manufacture, packaging and labeling of products at its manufacturing site, (b) employment, occupational safety and employee health, and (c) building, zoning and land use. The Company has not received notification from any governmental or regulatory authority asserting that it is not in compliance with or has violated any of the Laws which such governmental or regulatory authority enforces, or threatening to revoke any authorization, consent, approval, franchise, license, or permit, and the Company is not subject to any agreement or consent decree with any governmental or regulatory authority arising out of previously asserted violations.

4.12 Legal Proceedings. Except for Schedule 4.12: (a) The Company is not a party to any pending or threatened legal, administrative or other proceeding, arbitration, mediation, out-of-court settlement negotiation or investigation, and (b) no Person who is or was within the last five years an employee, director or officer of the Company is a party to any pending, or threatened, legal, administrative or other proceeding, arbitration, mediation, out-of-court settlement negotiation or investigation in their capacity as employees, directors or officers of the Company, which adversely affects the Company. The Company is not subject to any order, writ, injunction, decree or other judgment of any court or any governmental authority. There are no suits or proceedings pending or threatened before any court or by or before any governmental or regulatory authority, commission, or agency or public regulatory body against Sellers which, would interfere with Sellers' ability to consummate the transactions contemplated hereby.

4.13 Title to and Condition of Personal Property.

(a) The Company and Inmobiliaria own, lease or have the legal rights to use all properties and assets (tangible and intangible), except for those assets established in Schedule 4.13(a), including the Real Property (as defined below) and Company's Intellectual Property, used or intended to be used in the conduct of the Company's business (the "Assets"). The Company and Inmobiliaria have good and marketable title or leasehold interest to each Asset, free and clear of all Liens. The Assets constitute all of the assets and rights required to operate the business of the Company as previously conducted. All of the Assets are in good operating condition and repair, ordinary wear and tear excepted, and are not in need of substantial maintenance or repairs.

(b) Each item of equipment, personal property and asset of the Company used in operation of the Business is included as an Asset in the Closing Financial Statements and shall remain with the Company. The parties agree that Schedule 4.13(b) sets forth the full and complete list of all Assets of the Company as of the Closing Date.

4.14 Real Property.

(a) Schedule 4.14(a) sets forth the street address of the real property where the Plant is located owned by the Inmobiliaria (the "Owned Real Property"), and related title, legal and other information. Sellers have previously delivered to Buyer with respect to the Owned Real Property, a copy of the deed pursuant to which the Company acquired such Owned Real Property. Inmobiliaria possesses and at the Closing Date will possess good, marketable and insurable fee simple title to the Owned Real Property, free and clear of all Liens.

(b) Schedule 4.14(b) sets forth the street address of each parcel of real property leased by the Company (the "Leased Real Property" and together with the Owned Real Property, the "Real Property"). The Sellers have delivered to Buyer true and complete copies of all of the lease agreements, as amended to date (the "Current Leases") relating to the Leased Real Property. The Company enjoys peaceful and undisturbed possession of the Real Property.

(c) The Real Property (which includes the property that is the subject of the Land Purchase Agreement and the Leases) is and as of the Closing Date will be, free of structural or non-structural defects, and has access to adequate water, sewer, gas, telephone and electric utilities which are in good working order; in each instance as is sufficient to conduct the business of the Company as currently conducted. All construction and improvements made on the Real Property are, and as of the Closing Date, not in need of substantial repairs except for ordinary or routine maintenance or repairs.

4.15 Governmental Authorizations. Except as set forth on Schedule 4.15, the Company has all authorizations, consents, approvals, franchises, licenses and permits required under applicable Law for the ownership of the Company's properties and operation of its business as presently operated (the "Permits"). No suspension, nonrenewal or cancellation of any of the Permits is pending or, to the Sellers' Knowledge, threatened, and there is no reasonable basis therefore. The Company is not in conflict with, or in default or violation of any Permits.

4.16 Compliance with Environmental Laws. The Company and the operation of its business is in compliance with all applicable Environmental Laws. Except as set forth in Schedule 4.16, there have been no governmental claims, citations, notices of violation, judgments, decrees or orders issued against the Company or its Affiliates for impairment or damage, injury or adverse effect to the environment or public health and there have been no private complaints with respect to any such matters. There is no condition relating to any properties owned, leased or used by the Company that would require any type of remediation, clean-up, response or other action under applicable Environmental Laws and the Company has complied with Environmental Laws in the generation, treatment, storage and disposal of toxic and hazardous substances, as defined under any applicable Environmental Laws.

4.17 Employment Matters.

(a) Schedule 4.17(a) contains the names, job descriptions and annual salary rates and other compensation including other benefits such as medical insurance and life policies of all officers, directors, employees and consultants of the Company and its Affiliates (including compensation paid or payable by the Company under the Plans (as hereafter defined), and a list of all employee policies (written or otherwise), employee manuals or other written statements of rules or policies concerning employment, including working conditions, vacation and sick leave, a complete copy of each of which (or a description, if unwritten) has been delivered to Buyer and is attached in Schedule 4.17(a). There are no employment, consulting, severance or indemnification arrangements, arrangements which contain change of control provisions, agreements, or understandings between the Company and any officer, director, consultant or employee.

For purposes of this agreement, officers, directors, employees, former employees and consultants of the Company shall include all of such even if their compensation is paid by a third party and all representation and warranties given hereto for the Company, shall also apply to the Company which acts as the formal employer.

(b) The Company has complied with all applicable employment Laws, including payroll and related obligations, benefits, and does not have any obligation in respect of any amount due to employees of the Company or government agencies, other than normal salary, other fringe benefits and contributions accrued but not payable on the date hereof.

(c) Schedule 4.17(c) sets forth a complete list of all pension, retirement, stock purchase, stock bonus, stock ownership, stock option, profit sharing, savings, medical, disability, hospitalization, insurance, deferred compensation, bonus, incentive, welfare or any other material employee benefit plan, policy, agreement, commitment, arrangement or practice currently or previously maintained by the Company for any of their directors, officers, consultants, employees or former employees (the "Plans").

Each Plan has been administered in accordance with its terms and applicable Law. With respect to the Plans, no event has occurred and there exists no condition, facts or circumstances, which could give rise to any liability of the Company under the terms of such Plans or any applicable Law.

Notwithstanding any provision to the contrary herein, Sellers agree to cause their affiliate entity Pexa, S.C. ("Pexa") which currently acts as employer of all employees that work for the Company (and to cooperate with Opko Company Services, S. de R.L. de C.V., ("OCS") an affiliate of Buyer) to have OCS substitute as employer of all such employees under the current terms and conditions of the employment agreement of each of them and to have the corresponding collective labor agreement with the current union to be also assigned to or renewed with OCS under same terms and conditions of the current collective labor agreement. Parties agree that the foregoing shall be accomplished within (30) days after the Closing Date. Simultaneously to the substitution of employer of OCS mentioned above, the corresponding services agreement dated September 1, 2001 between the Company and Pexa (the "Pexa Services Agreement") shall be terminated. For purposes of clarity the Pexa Services Agreement shall continue to be in full force and effect in accordance with its terms until such substitution is accomplished and therefore as of the Closing date Buyer shall cause the Company to fully comply with all obligations related to the employees and to the Pexa Services Agreement.

4.18 Labor Relations. There is no strike or dispute pending or threatened involving any employees of the Company. Except as described in Schedule 4.18, none of the employees of the Company is a member of any labor union and the Company is not a party to, otherwise bound by, or threatened with any labor or collective bargaining agreement. Without limiting the generality of Section 4.11, (a) no unfair labor practice complaints are pending or threatened against the Company, and (b) no Person has made any claim, and there is no basis for any claim, against the Company under any statute, regulation or ordinance relating to employees or employment practices, including without limitation those relating to age, sex and racial discrimination, conditions of employment, and wages and hours.

4.19 Company Contracts.

(a) Schedule 4.19 sets forth a list (all such contracts, agreements, arrangements or commitments as are required to be set forth on Schedule 4.19 being referred to herein collectively as the "Company Contracts") of all written agreements, arrangements or commitments to which either the Company is a party or by which any of its assets is bound or affected which are material to the Company, including, without limitation:

(i) each partnership, joint venture or similar agreement of the Company with another Person;

(ii) each contract or agreement under which the Company has created, incurred, assumed or guaranteed (or may create, incur, assume or guarantee) indebtedness of more than US$10,000 in principal amount or under which the Company has imposed (or may impose) a Lien on any of its assets, whether tangible or intangible securing indebtedness;

(iii) each contract or agreement which involves an aggregate payment or commitment per contract or agreement on the part of the Company of more than US$10,000 per year;

(iv) all leases and subleases from any third person to the Company, in each case requiring annual lease payments in excess of US$10,000;

(v) each contract or agreement to which the Company and any of its Affiliates, employees or former employees, officers, directors, shareholders, or family member of such persons is a party, all of which shall be fully terminated on the Closing Date with no further consequences to the Company or any of its Affiliates (except for the current leases which shall be substituted with the Leases;

(vi) each contract or agreement to which the Company or any of its Affiliates is a party limiting, in any material respect, the right of the Company (i) to engage in, or to compete with any person in, any business, including each contract or agreement containing exclusivity provisions restricting the geographical area in which, or the method by which, any business may be conducted by the Company or (ii) to solicit any customer or client;

(vii) fire, casualty, liability, title, worker's compensation and all other insurance policies and binders maintained by the Company;

(viii) all collective bargaining or other labor union contracts or agreements to which the Company is a party or applicable to persons employed by the Company;

(ix) all licenses, licensing agreements and other agreements providing in whole or part for the use of any Intellectual Property of the Company;

(x) all other contracts or agreements which individually or in the aggregate exceed the sum of US$10,000 other than those which are terminable upon no more than 30 days notice by the Company without penalty or other adverse consequence.

Schedule 4.19 further identifies each of the Company Contracts which contain anti-assignment, change of control or notice of assignment provisions. The Company Contracts are each in full force and effect and are the valid and legally binding obligations of the Company and are valid and binding obligations of the other parties thereto. To the Sellers' or Company's Knowledge, the Company is not a party to, nor is its business or any of its assets bound by, any oral agreement. The Company is not in default under its Organizational Documents in any respect or in default of any obligation under any Company Contract to which it is a party, and no event has occurred which with the giving of notice or lapse of time or both would constitute such a default. The Company further represents and warrants that there are not any written or verbal agreement that submits the Company to any exclusivity of the sale or distribution of its products, and that none of the distribution/sale agreements agreement has any penalty on the Company for any early termination of them.

4.20 Tax Matters. Except as set forth on Schedule 4.20, all Tax returns required to be filed with respect to the Company and its business have been timely filed with the appropriate governmental authorities in all jurisdictions in which such returns are required to be filed, all of the foregoing as filed are true, correct and complete as of the applicable filing dates, and reflect accurately all liabilities for Taxes of the Company and its business for the periods to which such returns relate, and all amounts shown as owing thereon have been paid. All Taxes, if any, collectible or payable by the Company or relating to or chargeable against any of its assets, revenues or income through the Closing Date were or will be fully collected and paid by such date or provided for by adequate reserves in the Financial Statements. No claims or deficiencies have been asserted against the Company with respect to any Taxes which have not been paid or otherwise satisfied or for which accruals or reserves have not been made in the Financial Statements, and there exists no reasonable basis for the making of any such claims. The Company has not waived any restrictions on assessment or collection of Taxes or consented to the extension of any statute of limitations relating to taxation.

4.21 Guaranties. Except as set forth on Schedule 4.21, the Company is not a party to any Guaranty, and no Person is a party to any Guaranty for the benefit of the Company.

4.22 Insurance. Set forth on Schedule 4.22 is a list of all insurance policies providing insurance coverage of any nature to the Company. Such policies are (i) contracted under standard provisions, (ii) sufficient to cover for all Assets and Real Property; and (iii) sufficient for the compliance by Company with all requirements of Law and all Company Contracts. All of such policies are in full force and effect and are valid and enforceable in accordance with their terms, and the Company has complied with all material terms and conditions of such policies, including the payment of premium payments. None of the insurance carriers has indicated to Company an intention to cancel any such policy. The Company has no claim pending or anticipated against any of the insurance carriers under any of such policies and there has been no actual or alleged occurrence of any kind which may give rise to any such claim.

4.23 Inventories. The inventories of the Company shown on the balance sheets included in the Financial Statements and the inventories of the Company as of the Closing Date are stated and will be stated at not more than the lower of cost (on a first-in first-out basis) or market, and are fit for their particular use, do not and will not include any items below standard quality, defective, damaged or spoiled, obsolete or of a quality or quantity not usable or salable in the ordinary course of the business of the Company as currently conducted or any items whose expiration date has passed or will pass within six months of the date hereof and of Closing (which, with respect to items which do not have an expiration date, shall in any event not include quantities of items not usable or salable within nine months from the date hereof), the value of which has not been fully written down or reserved against in the Financial Statements. In addition, the inventories shall not include (i) any raw materials or finished goods (including boxes and labels) that relate to products which have not been sold by the Company in the preceding nine months unless they have an expiration date of more than one year and for which the Company has received firm purchase orders as of the Closing Date, or (ii) for which the Company has (y) not timely filed for its sanitary registration renewal or (z) has no present intention to renew the sanitary registration which are listed on Schedule 4.23. The Company has all adequate quantities and types of inventory to enable it to conduct its business consistent with past practices and anticipated operations. The Company does not have any obligations to purchase inventory in excess of its estimated needs to conduct its business in the ordinary course and in accordance with past practice.

4.24 Regulatory Approvals/Product Registrations.

(a) Schedule 4.24(a) lists each product developed, manufactured, licensed, distributed or sold by the Company presently or in the last 5 years (collectively, the "Products"). Each Product manufactured by the Company has been manufactured in accordance with (i) each corresponding Regulatory Approval and product registration applicable to such Product, (ii) the specifications under which the Product is normally and has normally been manufactured, and (iii) without limiting the generality of Section 4.11, the provisions of all applicable Laws. There is no action or proceeding by any governmental or regulatory authority pending or, to the Knowledge of the Company, the Sellers or any of their Affiliates, threatened seeking the recall of any of the Products or the revocation or suspension of any Regulatory Approval or product registration. Schedule 4.24(a) further lists all Products which at any time have been recalled, withdrawn or suspended by the Company, whether voluntarily or otherwise.

(b) Schedule 4.24(b) sets forth a complete and accurate list of all Regulatory Approvals and product registrations for each Product required under Applicable Law or Company Contracts which are pending or maintained by the Company, as well as the deadline and filing status for renewal of each. Except as set forth on Schedule 4.24(b), all of the Regulatory Approvals and product registrations for the Products are in full force and effect and have been duly and validly issued. Schedule 4.24 (b) further identifies all such registrations for which Buyer, the Company and Sellers have agreed to obtain such renewals (the "Specific Registrations"). The Company has all information and requirements on hand to file for renewal of such Specific Registrations for its Regulatory Approvals (and for approvals required under Company Contracts) and product registrations, and the Company has timely made all renewal filings for the Specific Registrations required as of the Closing Date and as scheduled to be done through February 29, 2010 (as also identified in the same Schedule 4.24(b). All laws and regulations applicable to the preparation and submission of the Regulatory Approvals and product registrations to the relevant regulatory authorities have been complied with and the Company has filed with the relevant regulatory authorities all required notices, applications, and annual or other reports, including adverse experience reports, with respect to the Regulatory Approvals and product registrations. The failure by the Company to obtain such final registration of the Specific Registrations of any of such Products within nine months after the Closing date shall be indemnifiable by the Sellers in the amount of US$12,500 for each registration, provided however that such indemnification shall only apply if such renewal is not obtained as a consequence of lack of information on hand by the Company or due to a wrongful filing for renewal made by the Company prior to the Closing Date.

(c) Except as set forth in Schedule 4.24(c), all Products which have been sold through the Company have been merchantable and free from defects in material or workmanship for the term of any applicable warranties and under the conditions of any express or implied specifications and warranties arising under Law and as set forth in the specific order. Except as disclosed in Schedule 4.24(c) hereto, during the last two years, the Company has not received any claims based on alleged failure to meet the specifications or breach of product warranty arising from any applicable manufacture or sale of their Products.

4.25 Intellectual Property Rights.

(a) Schedule 4.25 sets forth a complete and correct list of all Intellectual Property that is owned by the Company and the Intellectual Property that the Company has a license, sublicense or other permission to use. Except as set forth in Schedule 4.25, the Company owns all right, title and interest in and to, or has a license, sublicense or other permission to use, all of the Intellectual Property, free and clear of all Liens or other encumbrances. All necessary registration, maintenance and renewal fees in connection with such Intellectual Property have been paid and all necessary documents and certificates in connection with such Intellectual Property have been filed with the relevant copyright, trademark or other governmental or regulatory authorities for the purposes of obtaining or maintaining such Intellectual Property duly registered as the sole property of the Company. Schedule 4.25 lists Intellectual Property which (i) has been recently acquired by the Company from related Sellers which final registration is pending; and (ii) is in process of registration before regulatory authorities for purposes of obtaining total and sole rights over such trademarks. As of the Closing Date, Buyer shall take over such process, provided however that all reasonable costs incurred by Buyer or the Company in connection with the foregoing until final registration shall be borne by Sellers and provided further that (iii) any failure to obtain such final registration of any Intellectual Property listed in such Schedule 4.25 within twenty for (24) months after the Closing date (except in the case of the three "Exakta" marks, for which Sellers shall have 36 months to obtain such registrations) shall be indemnifiable by each of the Sellers in the amount of US$5,000 per mark (other than the Exakta marks). Failure to obtain registration of the three Exakta marks shall be indemnifiable by the Sellers in the aggregate amount of US$100,000 as follows: (a) if the Exakta trademark is not obtained for class 5, the penalty shall be US$75,000; (b) if the mark is not obtained for class 35, the penalty shall be US$24,000 and (c) if the mark is not obtained for class 3, the penalty shall be US$1,000.

(b) The Intellectual Property constitutes all patents and patent applications, and technology, know-how and information owned or licensed to the Company relating to the manufacture, use or sale of the Products. There have been no claims made in writing against the Company or any of its Affiliates asserting the invalidity, abuse, misuse, or unenforceability of any of the Intellectual Property, and, to the Knowledge of the Company and Sellers, no grounds for any such claims exist. Neither the Company, the Sellers nor any of their Affiliates has made any claim of any violation or infringement by others of its rights in the Intellectual Property, and, to the Knowledge of the Company, the Sellers and their Affiliates, no grounds for any such claims exist. Neither the Company, the Sellers nor any of their Affiliates has received any notice that it is in conflict with or infringing upon the asserted rights of others in connection with the Intellectual Property and, to the Knowledge of the Company, the Sellers and their Affiliates, the use of the Intellectual Property by the Seller or any of its Affiliates is not infringing and has not infringed upon any rights of any other Person. No interest in any of the Intellectual Property has been assigned, transferred, licensed or sublicensed by the Company or any of its Affiliates to any Person.

4.26 Power of Attorney. All of the Company's issued, granted or executed powers of attorney on behalf of the Company which may be in force at the Closing Date shall be revoked and such revocation shall be notified to such attorneys in compliance with Applicable Law.

4.27 Working Capital. As of the Closing Date, the Company will have at least Twenty One Million Two Hundred Thousand (21,200,000)Mexican Pesos of Net Working Capital ("Agreed Working Capital").

4.28 Absence of Material Adverse Effects. Since December 31, 2008, and except as otherwise disclosed in the Company's June 30, 2009 financial statements delivered to Buyer, the Company has conducted its business only in the ordinary and usual course and in a manner consistent with past practices and, since such date there has been no Material Adverse Effect and the Company has not engaged or agreed to engage in any actions described in Section 7.1(b).

4.29 Accounts and Notes Receivable and Payable. Set forth on Schedule 4.29 is a true and complete aged list of unpaid accounts and notes receivable owing to and owed by the Company as of the date hereof. All of such accounts and notes receivable and payable constitute bona fide, valid and binding claims arising in the ordinary course of the Company's business. Except as set forth on Schedule 4.29, there is no agreement for deduction, free goods, discounts, or other deferred price or adjustment to such receivables. Except as set forth on Schedule 4.29, (i) all receivables owing to the Company are less than ninety (90) days old as of February 16, 2009, are fully collectible and (ii) will be collected in the ordinary course of business (x) within one hundred and eighty (180) days after the date of its recording in the accounting records of the Company in the case of all receivables from private or non-governmental customers, and (y) two hundred and seventy (270) days after the date of its recording in the accounting records of the Company in the case of all receivables which result from direct sales from the Company to a governmental entity or institution as further identified in Schedule 4.20. In the event any account receivable is not collected within such one hundred and eighty (180) days or two hundred and seventy (270) days after the date of its recording in the accounting records of the Company, as the case may be, the Company may assign to Sellers and Sellers shall acquire such account receivables. As consideration for such assignment, Sellers shall pay the face value of such account receivables in immediate available funds or at the option of the Company, Buyer or the Company may withdraw from the Escrow Shares, the sufficient amount of shares to meet the par value of such receivables. The corresponding calculation as to the number of Escrow Shares to be withdraw shall be made in accordance with Section 6.4 (d). Sellers may request to the Company to continue to be the beneficiary of record of such account receivables that may not be assigned by law to them, it being understood however that such request shall in no event limit the right of the Company to withdraw from the Escrow Shares the sufficient amount of shares to meet the par value of such receivables as mentioned above. In the event the Company collects any amounts from accounts receivables for which it remained the beneficiary of record and for which it has been wholly indemnified by Escrow Shares, it shall transfer the amounts so collected to the Sellers as they are collected.

4.30 Related Parties. Except as disclosed in Schedule 4.30, no officer, director, shareholder of the Company, nor any Seller, or any of their respective spouses or family members has, directly or indirectly, (a) any ownership interest in, or is a director, officer, employee, consultant or agent of, any Person which is a competitor, supplier or customer of the Company; (b) any ownership interest in any property or asset, tangible or intangible, including any Intellectual Property, used in the conduct of the Company's business; (c) any interest in or is, directly or indirectly, a party to, any Company Contract; (d) any contractual or other arrangement with the Company, or any competitor, supplier or customer of the Company; (e) any cause of action or claim whatsoever against, or owes any amount to, the Company or (f) any Liability to the Company.

Except as disclosed in Schedule 4.30, neither the Company nor any Subsidiary has any Liability to any Seller.

4.31 Absence of Certain Business Practices. None of the Sellers, the Company or any Affiliate of the Company or the Sellers, nor to the Company's or Sellers' Knowledge, any of their respective directors, officers, employees, agents, advisors, distributors, resellers or representatives ("Representatives") has: (a) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity in respect of the Company's business; (b) directly or indirectly paid or delivered any fee, commission, sum of money or item of value, however characterized, to any finder, agent, or other party acting on behalf of or under the auspices of a governmental official or Governmental Authority in order to induce the official to make any governmental act or decision or to assist the Company in obtaining or retaining business; or (c) made any unlawful payment to any customer or supplier of the Company or its Affiliates, or Representative of any such customer or supplier in respect of the Company's business.

4.32 Closure of Betalactamic Business.

(a) As of the date hereof, the Company has ceased all aspects of its business related to the manufacture, sale and distribution of betalactamic products, and the Company has provided written notification of such event to each of its customers, suppliers and distributors of betalactamic products, as well as the Mexican health and regulatory authorities in the format attached hereto as Schedule 4.32. As of the date hereof, the Company has sold all raw materials and finished product inventory relating to betalactamics, and the Company has no commitment to purchase or sell any betalactamic product or raw materials from or to any party; nor shall it have an obligation to purchase or sell such products at any point in the future. Sellers shall be solely responsible for any liabilities resulting from the manufacture and sale of betalactamics by the Company up to the Closing Date.

(b) With respect to the machinery and equipment used or to be used in connection with the production of betalactamics under one or more lease agreements, all pending obligations under such lease agreements and promise of sale agreements shall be assigned to and assumed by Sellers within fifteen (15) days with no further recourse to the Company. It being understood that all payments due as of the Closing Date under such agreements shall be paid by Sellers.

4.33 Limitation. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF SELLERS CONTAINED IN THIS AGREEMENT AND IN ANY AGREEMENT OR TRANSACTION DOCUMENT DELIVERED IN CONNECTION WITH THIS AGREEMENT (THE "TRANSACTION DOCUMENTS"), NONE OF SELLERS, NOR COMPANY, NOR ANY OTHER PERSON ACTING FOR ANY OF THEM MAKES ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED. EXCEPT AS PROVIDED IN THE TRANSACTION DOCUMENTS, SELLERS HEREBY DISCLAIM ANY OTHER REPRESENTATION OR WARRANTY, WITH RESPECT TO THE EXECUTION, DELIVERY OR PERFORMANCE BY SELLERS OF THIS AGREEMENT OR THE RELATED DOCUMENTS.

ARTICLE 5

ADDITIONAL AGREEMENTS

5.1 Noncompetition.

(a) Each of the Sellers acknowledges that in order to assure Buyer that Buyer will retain the value of the Company, the Sellers shall not for a period of five years from Closing (the "Restricted Period") utilize his special knowledge of the business of the Company and their relationships with suppliers, customers, competitors and others to compete with the Company directly or indirectly.

(b) During the Restricted Period, each Seller shall not engage or have an interest anywhere where the Company does business, alone or in association with others, as principal, officer, agent, employee, director, partner or stockholder, or through the investment of capital, lending of money or property, rendering of services or otherwise, in any business competitive with or similar to that engaged in by the Company presently or at any time in the last 5 years. The ownership or control of up to five percent of the outstanding voting securities or securities of any class of a company with a class of securities which are publicly traded shall not be deemed a violation of the provisions of this Section. Rendering services in areas that are not related (directly or indirectly) to the manufacture, distribution marketing, or sale of pharmaceutical, nutriceutical or healthcare products or services, even to competitors of the Company, shall not be deemed a violation of the provisions of this Section.

(c) During the Restrictive Period, each Seller shall not, and shall not knowingly or intentionally permit any of its employees, agents or others under its control to, directly or indirectly, (i) call upon, accept business from, or solicit the business of any Person who is, or who had been at any time during the preceding two years, a customer of the Company, or any successor to the business of the Company, or otherwise divert or attempt to divert any business from the Company, or any such successor, or (ii) recruit or otherwise solicit or induce any person who is an employee of or otherwise engaged by the Company, or any successor to the business of the Company to terminate his or her employment or other relationship with the Company, or such successor, or hire any person who has left the employ of the Company or any such successor during the preceding two years.

5.2 Confidentiality. Sellers acknowledge that all confidential or proprietary information with respect to the business and operations of the Company are valuable, special and unique. Sellers shall not, at any time after the Closing Date, disclose, directly or indirectly, to any Person, or use or purport to authorize any Person to use any confidential or proprietary information with respect to the Company or Buyer, whether or not for a Seller's own benefit, without the prior written consent of Buyer, including without limitation, information as to the financial condition, results of operations, customers, suppliers, products, products under development, inventions, sources, leads or methods of obtaining new products or business, pricing methods or formulas, cost of supplies, marketing strategies or any other information relating to the Company or Buyer which could reasonably be regarded as confidential, but not including information which is or shall become generally available to the public other than as a result of an unauthorized disclosure by a Seller or a Person to whom a Seller has provided such information. The Sellers acknowledge that Buyer would not enter into this Agreement without the assurance that all such confidential and proprietary information will be used for the exclusive benefit of the Company.

5.3 Continuing Obligations. The restrictions set forth in Sections 5.1 and 5.2 are considered by the parties to be reasonable for the purposes of protecting the value of the business and goodwill of the Company and Buyer. Buyer and the Sellers acknowledge that Buyer and the Company would be irreparably harmed and that monetary damages would not provide an adequate remedy in the event the covenants contained in Sections 5.1 and 5.2 were not complied with in accordance with their terms. Accordingly, Sellers agree that any breach or threatened breach by any of them of any provision of Sections 5.1 and 5.2 shall entitle the Buyer and OPKO to injunctive and other equitable relief, without requirement of posting a bond or other surety, to secure the enforcement of these provisions, in addition to any other remedies which may be available to Buyer and OPKO, and that the Buyer and OPKO shall be entitled to receive from the breaching parties reimbursement for all attorneys' fees and expenses incurred in enforcing these provisions. It is the desire and intent of the parties that the provisions of Sections 5.1, 5.2 and 5.3 be enforced to the fullest extent permissible under the laws and public policies of each jurisdiction in which enforcement is sought. If any provisions of Sections 5.1 and 5.2 relating to the time period, scope of activities or geographic area of restrictions is declared by a court of competent jurisdiction to exceed the maximum permissible time period, scope of activities or geographic area, the maximum time period, scope of activities or geographic area, as the case may be, shall be reduced to the maximum which such court deems enforceable. If any provisions of Sections 5.1 and 5.2 other than those described in the preceding sentence are adjudicated to be invalid or unenforceable, the invalid or unenforceable provisions shall be deemed amended (with respect only to the jurisdiction in which such adjudication is made) in such manner as to render them enforceable and to effectuate as nearly as possible the original intentions and agreement of the parties.

5.4 Investment Intent; Accredited Investor Status; Restrictions on Sale.

(a) Each Seller represents that it has such knowledge and experience in business or financial matters that it is capable of evaluating the merits and risks of an investment in the Stock Consideration. Each Seller understands and acknowledges that the Stock Consideration has not been registered with the SEC under the Securities Act and that such Seller may not sell, transfer or otherwise dispose of all or any portion of the Stock Consideration except (i) pursuant to an effective registration statement under the Securities Act or (ii) upon receipt by OPKO of an opinion of counsel acceptable to OPKO to the effect that such sale, transfer or disposition is otherwise exempt from registration under the Securities Act.

(b) Each Seller acknowledges and agrees that, until the expiration of the Lock-up Period, he, she or it will not, without the prior written consent of Buyer, be permitted to sell, pledge, or otherwise dispose of, directly or indirectly, any of the Closing Shares, provided that on the first anniversary of the Closing, the lock-up restriction shall lapse with respect to fifty percent (50%) of the Closing Shares issued to Sellers at Closing.

5.5 Betalactamic Clean-Up. Sellers and OPKO agree that Buyer shall undertake the cleanup of the betalactamic production area within nine (9) months following Closing (the "Betalactamic Cleanup Period") provided that Sellers shall be solely responsible for the cost of the clean-up activities.

ARTICLE 6

SURVIVAL; INDEMNIFICATION

6.1 Investigation. The representations, warranties and covenants set forth in this Agreement, as excepted in the relevant Disclosure Schedules, shall not be affected or diminished in any way by any investigation (or failure to investigate) at any time by or on behalf of the party for whose benefit such representation, warranties and/or covenants were made.

6.2 Survival of the Representations and Warranties. The representations and warranties and indemnification obligations of Sellers and the Buyer shall survive the Closing Date for a period of two (2) years from the Closing Date; provided, however, that (i) the representations in Section 4.25 and the indemnification obligation in Section 6.4(a)(viii) relating to registration of the Exakta marks shall survive for a period of three years; (ii) the representations and warranties set forth in Sections 4.4, 4.11, 4.15, 4.17, 4.18, 4.24, 4.26, 4.30, and 4.31, and the indemnification obligations of Sellers set forth in Sections 6.4(a)(iv), (v), and (vi) shall survive for a period of five years; and (iii) the representations and warranties set forth in Sections 4.6, 4.7, 4.8, 4.16, and 4.20 and the indemnification obligations of Seller set forth in Sections 6.4(a) (ii), (iii), and (ix) shall survive the Closing Date until the expiration of the period specified in the applicable statute of limitations.

6.3 General Release. Except as otherwise provided for herein, as additional consideration for the sale of the Company Capital Stock pursuant to this Agreement, each of the Sellers hereby unconditionally and irrevocably releases and forever discharges, effective as of the Closing Date, each of the Company and its officers, directors, employees and agents, from any and all rights, claims, demands, judgments, obligations, liabilities and damages, whether accrued or unaccrued, asserted or unasserted, and whether known or unknown, relating to the Company which ever existed, now exist, or may hereafter exist, by reason of any tort, breach of contract, violation of law or other act or failure to act which shall have occurred at or prior to the Closing Date, or in relation to any other liabilities of the Company to Sellers.

6.4 Indemnification.

(a) Indemnification by Sellers. Sellers agree, jointly and severally, to defend, indemnify and hold harmless Buyer, OPKO, their Affiliates and their respective directors, officers, employees and agents from, against and in respect of, the full amount of:

(i) (A) any and all actions, suits, proceedings, demands, liabilities, damages, claims, deficiencies, fines, penalties, interest, assessments, judgments, losses, Taxes, costs and expenses, including, without limitation, reasonable fees and disbursements of counsel (collectively, the "Indemnified Losses") arising from or in connection with any breach or violation of any of the representations and warranties contained in this Agreement or (B) any and all Indemnified Losses arising from or in connection with any breach or violation of the covenants or agreements of any of the Sellers or the Company contained in this Agreement;

(ii) any and all Indemnified Losses for Taxes attributable to all Tax years or portions thereof ending on or prior to the Closing Date imposed on the Company, as well as deferred taxes in connection with the operation of the business prior to Closing, all of which shall remain the sole responsibility of Sellers;

(iii) any and all Taxes related to or arising from the sale and transfer of shares contemplated hereby by reason of any Liability of the Company or its shareholders for such Taxes as assessed by any taxing authority against Seller(s), and/or the Company either before or after the Closing Date;

(iv) any and all Indemnified Losses for failure to comply prior to the Closing Date with the terms of any Laws relating to employees or employment practices or social security;

(v) any and all Indemnified Losses related to or arising from the termination of employment prior to or following the Closing Date of any employees of the Company listed on Schedule 6.4(a)(v);

(vi) any and all Indemnified Losses related to or arising from any products delivered by the Company prior to the Closing Date, including without limitation, Indemnified Losses for product recalls, product defects, warranty claims, personal injury or death;

(vii) any failure by the Company to obtain the product registrations set forth on Schedule 4.24 within nine months of Closing, which shall be indemnified in the amount as set forth on Schedule 4.24 as provided for in Section 4.24(b) above;

(viii) the failure by the Company to obtain registration of the three "Exakta" marks within thirty six months of Closing, which shall be indemnifiable in the amounts provided for in Section 4.25(a);

(ix) any and all Indemnified Losses (A) related to or arising from a violation of any applicable Environmental Law, with respect to any property owned, controlled or utilized by the Company or its Affiliates, prior to the Closing Date;

(x) any and all Indemnified Losses not reserved for on the Closing Financial Statements related to the business or operations of the Company prior to the Closing Date; and

(xi) any and all Accounts Receivable outstanding as of Closing, which are not collected by the Company as provided for in Article 4.29 above.

(b) Indemnification by Buyer. Buyer agrees to defend, indemnify and hold harmless Sellers and their Affiliates and their respective directors, officers, employees and agents from, against and in respect of, the full amount of:

(i) any and all Indemnified Losses arising from or in connection with any breach or violation of any of the representations or warranties of the Buyer contained in this Agreement; and

(ii) any and all Indemnified Losses arising from or in connection with any breach or violation of any of the covenants or agreements of Buyer contained in this Agreement.

(c) Indemnification Procedure as to Third Party Claims.

(i) Promptly after any party seeking indemnification under this Agreement (the "Indemnified Party") obtains knowledge of the commencement of any third party claim, action, suit or proceeding or of the occurrence of any event or the existence of any state of facts which may become the basis of a third party claim (any such claim, action, suit or proceeding or event or state of facts being hereinafter referred to in this Section 6.4 as a "Claim"), in respect of which an Indemnified Party is entitled to indemnification under this Agreement, such Indemnified Party shall promptly notify the party against whom indemnity is sought (the "Indemnifying Party") of such Claim in writing; provided, however, that any failure to give notice (A) will not waive any rights of the Indemnified Party except to the extent that the rights of the Indemnifying Party are actually prejudiced thereby and (B) will not relieve the Indemnifying Party of its obligations as hereinafter provided in this Section 6.4 after such notice is given. With respect to any Claim as to which such notice is given by the Indemnified Party to the Indemnifying Party, the Indemnifying Party will, assume the defense or otherwise settle such Claim with counsel reasonably satisfactory to the Indemnified Party and experienced in the conduct of Claims of that nature at the Indemnifying Party's sole risk and expense, provided, however, that the Indemnified Party (1) shall be permitted to join the defense and settlement of such Claim and to employ counsel reasonably satisfactory to the Indemnifying Party, and at the Indemnified Party's own expense, (2) shall cooperate fully with the Indemnifying Party in the defense and any settlement of such Claim in any manner reasonably requested by the Indemnifying Party; and (3) shall not compromise or settle any such Claim without the prior written approval of the Indemnifying Party;

(ii) If (A) the Indemnifying Party fails to assume the defense of such Claim or, having assumed the defense and settlement of such Claim, fails reasonably to contest such Claim in good faith, or (B) the remedy sought by the claimant with respect to such Claim is not solely for money damages, the Indemnified Party, without waiving its right to indemnification, may, but is not required to, assume the defense and settlement of such Claim, provided, however, that (1) the Indemnifying Party shall be permitted to join in the defense and settlement of such Claim and to employ counsel at its own expense, (2) the Indemnifying Party shall cooperate with the Indemnified Party in the defense and settlement of such Claim in any manner reasonably requested by the Indemnified Party, and (3) the Indemnified Party shall not settle such Claim without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

(iii) As used in this Section 6.4, the term Indemnified Party shall be deemed to include the plural thereof where the rights or obligations of more than one Indemnified Party may be involved.

(d) Release of Escrow. Buyer and each of the Sellers acknowledge and agree that Escrow Fund shall be the first remedy for indemnification against Sellers but it shall not be considered as the only remedy for Buyer, and Buyer shall have all remedies available to it at law. The Parties agree that any amount due to the Buyer or OPKO in relation to the Sellers' indemnity obligations set out in Section 6.4 shall be paid to the Buyer or OPKO within thirty (30) days after (a) the Buyer's and Sellers' relevant joint written request to the Escrow Agent or (b) Escrow Agent's receipt of an enforceable judgment issued by a court of competent jurisdiction, or an arbitration award, directing the release of Escrow Shares, by releasing the number of the Escrow Shares out of the Escrow Fund that are equal to the dollar amount of the indemnifiable claim divided by the price per share of OPKO Common Stock, which shall be valued at the lower of (i) the Average Closing Price, or (ii) the average closing price of OPKO Common Stock on the NYSE for the five trading days preceding the date of release of the Escrow Shares by the Escrow Agent.

6.5 Limitations on Liabilities.

(a) Notwithstanding anything to the contrary contained herein, except for subsection (c) below, in no event shall the aggregate sums payable by the Sellers under Section 6.4(a)(i) (other than sums payable as a result of breaches of the representations and warranties set forth in Sections 4.7, 4.8, 4.16 and 4.20) and indemnification obligations under Section 6.4(a)(ii) through (iii), and (ix) exceed the Purchase Price.

(b) Notwithstanding anything to the contrary contained herein, except for subsection (c) below, neither party shall be obligated to indemnify and hold harmless the other under Section 6.4 for breaches of representations and warranties unless and until all Indemnified Losses in respect of which such party is obligated to provide indemnification exceed Ten Thousand United States Dollars (US$10,000) (the "Basket Amount") following which (subject to the provisions of this Section 6.5) such party shall be obligated to indemnify and hold harmless, the other party for all such Indemnified Losses (not merely the amount by which the Indemnified Losses exceed the Basket Amount) provided, however, for purposes of determining if the Basket Amount has been exceeded, or whether a Liability occurred or the amount of the Liability resulting from a breach of representation or warranty, all representations and warranties in this Agreement shall be read without giving effect to any materiality qualifier included the.

(c) Notwithstanding anything to the contrary set forth herein, none of the limitations on indemnification set forth in this Section 6.5 shall apply to matters relating to intentional or fraudulent breaches, violations or misrepresentations.

(d) For purposes of this Section 6.5 only, the "Purchase Price" shall be equal to Four Million United States Dollars (US$4,000,000).

ARTICLE 7

INTERIM COVENANTS

7.1 Interim Operations of the Company.

(a) The Company and each of the Sellers covenants and agrees that, from the date hereof until the Closing Date the Company shall operate the business in accordance with its ordinary course and past practice. In addition during the period commencing on the date hereof and until the Closing Date, each of the Company and the Sellers shall, except to the extent the Buyer specifically gives its prior written consent to the contrary:

(i) use its best efforts to preserve intact its business organization and the goodwill of its customers, suppliers and others having business relations with it;

(ii) use its best efforts to keep available to Buyer the services of the Company's officers, employees and agents, except those employees listed on Schedule 6.4(a)(v) hereto;

(iii) promptly furnish to Buyer a copy of any correspondence received from or delivered to any governmental authority;

(iv) maintain and keep its properties and assets in the same repair and condition as they were on the date of this Agreement;

(v) continue and maintain the approval process in the ordinary course of business with respect to the Company Products and product registrations and any products being developed by the Company; and

(vi) continuously maintain insurance coverage substantially equivalent to the insurance coverage in existence on the date of this Agreement.

(b) Additionally, during the period from the date of this Agreement to the Closing Date, except with the prior written consent of Buyer, the Company shall not and the Sellers shall not permit the Company to, directly or indirectly,

(i) amend or otherwise change the Company's Organizational Documents;

(ii) issue, sell or authorize for issuance or sale, shares of any class of its securities (including, but not limited to, by way of stock split or dividend) or any subscriptions, options, warrants, rights or convertible securities, or enter into any agreements or commitments of any character obligating it to issue or sell any such securities;

(iii) redeem, purchase or otherwise acquire directly or indirectly any shares of its capital stock or any option, warrant or other right to purchase or acquire any such shares;

(iv) declare or pay any dividend or other distribution;

(v) sell, transfer, surrender, abandon or dispose of any of its assets or property rights (tangible or intangible), except for sales or dispositions of inventory in the ordinary course of business consistent with past practice;

(vi) (A) grant, make or subject itself or any of its assets or properties to any Lien, or (B) grant or make any Lien on any properties or assets which are being transferred out of the Company;

(vii) create, incur or assume any liability or indebtedness in excess of US$10,000;

(viii) enter into, amend or terminate any Company Contract with an annual value of at least $10,000 or for a longer period than three months;

(ix) commit to make any capital expenditures, which would be payable by the Company after the Closing Date;

(x) grant any guaranty other than bonds under government procurement procedures;

(xi) waive, release, assign, settle or compromise any material claim or litigation;

(xii) except as required by Law, increase the compensation payable or to become payable to employees or grant any rights to severance or termination pay to, or enter into any employment or severance agreement with any employee or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any employee;

(xiii) acquire (including, without limitation, by merger, consolidation or acquisition of stock or assets) any interest in any corporation, partnership, other business organization, Person or any division thereof or any assets;

(xiv) alter the manner of keeping its books, accounts or records, or change in any manner the accounting practices therein reflected;

(xv) make any Tax election or settle or compromise any material federal, state or local or federal income Tax Liability;

(xvi) change its accounting practices, methods or assumptions or write down any of its assets;

(xvii) notify the Buyer if any party has accelerated, terminated, modified or canceled any Company Contract;

(xviii) grant any license or sublicense of any right under or with respect to any Intellectual Property or disclose any proprietary or confidential information to any third party;

(xix) take or omit to take any action which would render any of the Company's or any of the Sellers' representations or warranties untrue or misleading, or which would be a breach of any of the Company's or Sellers' covenants;

(xx) take any action which could have a Material Adverse Effect; or

(xxi) agree, whether in writing or otherwise, to do any of the foregoing.

7.2 Maintenance of Personnel. During the period from the date of this Agreement to the Closing Date, the Company and Sellers agree to cooperate and provide adequate personnel to permit the conduct of the activity contemplated in Section 7.1(a)(i).

7.3 Consent of Governmental Authorities and Others. Each of Buyer, on the one hand, and the Company and the Sellers, on the other, agree to file, submit or request (or cause to be filed, submitted or requested) promptly after the date of this Agreement and to prosecute diligently any and all (a) applications or notices required to be filed or submitted to any governmental or regulatory authorities, and (b) in the case of the Company, requests for consents and approvals of Persons required to be obtained in connection with the transactions contemplated by this Agreement. Each of Buyer, on the one hand, and the Company and the Sellers on the other, shall promptly make available to the other or to a relevant governmental authority, as the case may be, such information as each of them may reasonably request relative to its business, assets and property as may be required by each of them to prepare and file or submit such applications and notices and any additional information requested by any governmental authority, and shall update by amendment or supplement any such information given in writing. Each of Buyer on the one hand and the Company and the Sellers on the other, represent and warrant to the other that such information, as amended or supplemented, shall be true and not misleading.

7.4 Due Diligence Review. Neither the due diligence investigation made by Buyer in connection with the transactions contemplated hereby nor information provided to or obtained by Buyer shall affect any representation or warranty in this Agreement. Buyer's failure or decision not to conduct any such due diligence review shall not affect any representation or warranty of the Company or the Sellers under this Agreement.

7.5 Exclusivity. Except for the transactions contemplated by the Transaction Documents, unless and until this Agreement shall have been terminated, the Sellers will not (and the Sellers will not cause or permit the Company to) (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of any capital stock or other voting securities, or any substantial portion of the assets, of the Company (including any acquisition structured as a merger, consolidation, or share exchange), (ii) participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing or enter into any agreement related to any of the foregoing, or (iii) except as required by law, disclose any information not customarily disclosed to any Person concerning the business and properties of the Company, afford to any Person (other than Buyer or its designees) access to the properties, books or records of the Company or otherwise assist or encourage any Person, in connection with any of the foregoing. The Sellers will notify Buyer immediately if any Person makes any indication of interest, proposal, offer, inquiry, or contract with respect to any of the foregoing.

7.6 Escrow Agreement. At the Closing, each of the Sellers, the Buyer and the Escrow Agent shall execute and deliver the Escrow Agreement in form and substance reasonably acceptable to the parties.

ARTICLE 8

CONDITIONS PRECEDENT; TERMINATION

8.1 Conditions Precedent to the Obligations of Buyer, OMF and OPKO. The obligations of Buyer and OPKO to consummate the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing of the following conditions:

(a) Representations and Warranties True. The representations and warranties of the Sellers and the Company contained in this Agreement, as excepted in the relevant Disclosure Schedules, shall be true and correct in all material respects (except for representations and warranties which are by their terms qualified by materiality, which shall be true and correct in all respects) as of the Closing Date with the same force and effect as though made on and as of such date and shall have been true as of the date hereof.

(b) Covenants Performed. The covenants of the Company and the Sellers contained in this Agreement to be performed or complied with on or before the Closing Date shall have been duly performed or complied with.

(c) No Material Adverse Effect. There shall not have occurred any Material Adverse Effect, the impact of which the parties have not been able to resolve to the satisfaction of both parties, each acting in good faith and in a commercially reasonable manner.

(d) Company's Certificate. The Company shall have delivered to Buyer a certificate executed by an authorized representative of the Company, on behalf of the Company and of the Sellers, dated the Closing Date, certifying in such detail as Buyer may reasonably request, that the conditions specified in Sections 8.1(a), (b), (c), (e) have been fulfilled.

(e) No Litigation. No litigation, arbitration or other proceeding shall be pending or threatened by or before any court, arbitration panel or governmental authority; no law or regulation shall have been enacted after the date of this Agreement; and no judicial or administrative decision shall have been rendered; in each case, which enjoins, prohibits or materially restricts, or seeks to enjoin, prohibit or materially restrict, the consummation of the transactions contemplated by this Agreement.

(f) Consents. The Sellers and the Company shall have obtained all authorizations, waivers, consents and approvals of, and made all filings, applications and notices with, Persons which are necessary or advisable to consummate the transactions contemplated by this Agreement, each of which shall have been obtained without the imposition of any adverse term or condition.

(g) Financial Information. Seller and the Company shall have delivered to Buyer the Financial Statements and the Closing Financials Statements. The Closing Financial Statements shall have been prepared in accordance with Mexican GAAP on a basis consistent with prior periods and delivered on an estimated basis in accordance with U.S. GAAP.

(h) Escrow Agreement. The Sellers and the Escrow Agent shall have executed and delivered to Buyer the Escrow Agreement in form and substance reasonably acceptable to the Buyer.

(i) Lease Agreements. The Leases shall have been executed and delivered to the Company.

(j) Listing of Shares. The Stock Consideration shall have been approved for listing by the NYSE Amex Exchange.

8.2 Conditions Precedent to the Obligations of the Sellers. The obligations of the Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing of the following conditions:

(a) Representations and Warranties True. The representations and warranties of Buyer contained in this Agreement or in any certificate or other document delivered pursuant to this Agreement shall be true and correct in all material respects (except for representations and warranties which are by their terms qualified by materiality, which shall be true and correct to the in all respects) as of the Closing Date with the same force and effect as though made on and as of such date and shall have been true as of the date hereof.

(b) Covenants Performed. The covenants of the Buyer contained in this Agreement to be performed or complied with on or before the Closing Date shall have been duly performed or complied with.

(c) No Material Adverse Effect. There shall not have occurred any Material Adverse Effect the impact of which the parties have not been able to resolve to the satisfaction of both parties, each acting in good faith and in a commercially reasonable manner.

(d) No Litigation. No litigation, arbitration or other proceeding shall be pending or threatened by or before any court, arbitration panel or governmental authority; no law or regulation shall have been enacted after the date of this Agreement; and no judicial or administrative decision shall have been rendered; in each case, which enjoins, prohibits or materially restricts, or seeks to enjoin, prohibit or materially restrict, the consummation of the transactions contemplated by this Agreement.

(e) Buyer's Certificate. The Buyer shall have delivered to the Sellers a certificate executed by an authorized officer of the Buyer dated the Closing Date certifying that the conditions specified in Sections 8.2(a), (b), (c) and (d) above have been fulfilled.

(f) Escrow Agreement. Buyer shall have executed and delivered to Sellers the Escrow Agreement in form and substance reasonably acceptable to the Sellers.

(g) Lease Agreements. The Company shall have executed and delivered to Sellers the Lease.

(h) Listing of Shares. The Stock Consideration shall have been approved for listing by the NYSE Amex Exchange.

8.3 Termination.

(a) Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated at any time before the Closing Date only as follows:

(i) by mutual consent of Sellers and Buyer or if Closing is prohibited by change in law;

(ii) by Buyer, if there has been a material breach by any of the Sellers at any time before the Closing of any representation, warranty, covenant or agreement contained in this Agreement that is not curable or, if curable, is not cured within thirty days or such other time as may be agreed by the parties in writing after written notice of such breach is given by Buyer to the party committing such breach;

(iii) by Sellers if there has been a material breach by Buyer at any time before the Closing of any representation, warranty, covenant or agreement contained in this Agreement that is not curable or, if curable, is not cured within thirty days after written notice of such breach is given by Sellers to the party committing such breach;

(iv) by Buyer, on the one hand, or all Sellers, on the other hand, upon notice given to the other if the Closing shall not have taken place on or before March 16, 2010; or

(v) by Buyer, on the one hand, or all Sellers, on the other hand, upon notice given to the other if any court (i) shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and nonappealable or (ii) shall have failed to issue an order, decree or ruling or to take any other action, as applicable, and such denial of a request to issue such order, decree, ruling or take such other action shall have become final and nonappealable, in the case of each of (i) and (ii) which is necessary to fulfill the conditions set forth in ARTICLE 8; provided, however, that the right to terminate this Agreement under this Section 8.3 shall not be available to any party whose failure to comply with Section 7.3 has been the cause of such action or inaction.

(b) In the event of the termination of this Agreement as provided in Section 8.3(a), this Agreement shall forthwith become wholly void and of no further force and effect (except as set forth in this Section, Sections 5.2, 9.7, 9.10, 9.11, 9.12 and 9.13).

ARTICLE 9

MISCELLANEOUS

9.1 Notices. Any notice or other communication under this Agreement shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested, postage prepaid, or sent by facsimile or prepaid overnight courier to the parties at the addresses set forth below their names on the signature pages of this Agreement (or at such other addresses as shall be specified by the parties by like notice). Such notices and other communications shall be deemed given when actually received or (a) in the case of delivery by overnight service with guaranteed next day delivery, the next day or the day designated for delivery, (b) in the case of facsimile, the date upon which the transmitting party received confirmation of receipt by facsimile, telephone or otherwise. A copy of any notices delivered to Buyer shall also be sent to OPKO Health, Inc., 4400 Biscayne Boulevard, Miami, Florida 33137, Attn: General Counsel, Fax (305) 575-4140. A copy of any notices delivered to Sellers, or the Company prior to the Closing, shall also be sent to Barrera, Gonzalez Luna y Gonzalez Schmall, S.C., Justo sierra 2847, Col., Vallarta Norte, C.P. 44690, Guadalajara, Jalisco, Mexico. Attention. Santiago Gonzalez Luna, Fax (52) (33) 3616 2675.

9.2 Entire Agreement. This Agreement, its schedules and exhibits contain every obligation and understanding between the parties relating to the subject matter hereof, and merges all prior discussions, negotiations and agreements, if any, between them, and none of the parties shall be bound by any representations, warranties, covenants, or other understandings, other than as expressly provided or referred to herein or therein.

9.3 Assignment. This Agreement may not be assigned by any party without the written consent of the other party; provided that Buyer may assign this Agreement to one of the Buyer's Affiliates, whether such Affiliate currently exists or is formed in the future, so long as such Affiliate of Buyer agrees in writing to be bound by the terms of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, personal representatives, legal representatives, and permitted assigns.

9.4 No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any Person other than the parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

9.5 Waiver and Amendment. Any representation, warranty, covenant, term or condition of this Agreement which may legally be waived, may be waived at any time by the party entitled to the benefit thereof, and any term, condition or covenant hereof may be amended by the parties hereto at any time by written agreement. Any such waiver or amendment shall be evidenced by an instrument in writing executed on behalf of the appropriate party by a person who, to the extent applicable, has been authorized by its board of directors to execute waivers, extensions or amendments on its behalf. No waiver by any party hereto, whether express or implied, of its rights under any provision of this Agreement shall constitute a waiver of such party's rights under such provisions at any other time or a waiver of such party's rights under any other provision of this Agreement. No failure by any party hereto to take any action against any breach of this Agreement or default by another party shall constitute a waiver of the former party's right to enforce any provision of this Agreement or to take action against such breach or default or any subsequent breach or default by such other party.

9.6 Severability. In the event that any one or more of the provisions contained in this Agreement shall be declared invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect, and such invalid, void or unenforceable provision shall be interpreted as closely as possible to the manner in which it was written.

9.7 Expenses. Each party agrees to pay, without right of reimbursement from the other party, the costs (hereafter referred to as "Costs") incurred by it incident to the performance of its obligations under this Agreement and the consummation of the transactions contemplated hereby, including, without limitation, costs incident to the preparation of this Agreement, and the fees and disbursements of counsel, accountants and consultants employed by such party in connection herewith.

9.8 Headings and References. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provisions of this Agreement. References in this Agreement to clauses, subclauses, sections, articles or schedules are references to clauses, subclauses, sections, articles or schedules of this Agreement so numbered.

9.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

9.10 Litigation; Prevailing Party. In the event of any litigation with regard to this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party and the non-prevailing party shall pay upon demand all reasonable fees and expenses of counsel for the prevailing party.

9.11 Governing Law. This Agreement has been entered into and shall be construed and enforced in accordance with the laws of the State of Florida, without reference to the choice of law principles thereof.

9.12 Jurisdiction and Venue. All disputes arising out of or in connection with the present Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with said Rules. The venue of the arbitration shall be Miami, Florida and the language of the arbitration shall be English. For any dispute which cannot be submitted to arbitration, the Parties irrevocably agree that the state and federal courts located in Miami-Dade County, Florida (the "Court") shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement. The parties irrevocably waive, to the fullest extent permitted by law, any objection to jurisdiction which they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, or any judgment entered by any court in respect hereof brought in the State of Florida, and further irrevocably waive any claim that any suit, action or proceeding brought in Florida has been brought in an inconvenient forum.

9.13 Publicity. The parties **s**hall agree to the content of any press release or other public announcement concerning this Agreement or the transactions contemplated hereby before issuing the same. Nothing contained herein shall prevent OPKO from at any time furnishing any information to any governmental authority which it is by law or otherwise so obligated to disclose or from making any disclosure which its counsel deems necessary or advisable in order to fulfill such party's disclosure obligations under applicable law or the rules of the any stock exchange to which the party is subject.

(Signatures on following page)

IN WITNESS WHEREOF, the parties hereto have each executed and delivered this Agreement as of the day and year first above written.

OPKO Health Mexicana S. de R.L. de C.V.

By: _____
Name: Adolfo Garcin de la Cueva
Title: Attorney-in-fact

Calle El Carmen no. 651
Fraccionamiento Camino Real,
C.P. 45040, Zapopan Jalisco, Mexico
Fax: (52-33) 3122 6574

OPKO Manufacturing Facilities S. de R.L. de C.V.

By: _____
Name: Adolfo Garcin de la Cueva
Title: Attorney-in-fact

Calle El Carmen no. 651
Fraccionamiento Camino Real,
C.P. 45040, Zapopan Jalisco, Mexico
Fax: (52-33) 3122-6574

OPKO Health, Inc.

By: _____
Name:
Title:

4400 Biscayne Boulevard
Miami, Florida

Sellers:

IGNACIO LEVY GARCÍA

By: _____
Name: Ignacio Levy García

_____

_____
Fax:

JOSÉ DE JESUS LEVY GARCÍA

By: _____
Name: José de Jesus Levy García

_____

_____

_____
Fax:

Company:

PHARMACOS EXAKTA, S.A. DE C.V.

By: _____
Name: Ignacio Levy Garcia
Title: Sole Administrator and attorney-in-fact

Av. Niño Obrero No. 651C.P. 45040
Zapopan Jalisco Mexico
Fax:

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: May 10, 2010

/s/ Phillip Frost
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: May 10, 2010

/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 March 31, 2010 (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: May 10, 2010

/s/ Phillip Frost
Phillip Frost
Chairman of the Board, 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 March 31, 2010 (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: May 10, 2010

/s/ Rao Uppaluri
Rao Uppaluri
Chief Financial Officer