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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 June 30, 2009.

OR

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

For the transition period from _____ to _____.

Commission file number 000-27748

OPKO Health, Inc.

(Exact Name of Registrant as Specified in Its Charter)

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES ☐ NO ☐

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

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 August 4, 2009, the registrant had 252,668,938 shares of common stock outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

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

PART I. FINANCIAL INFORMATION

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

Item 1. Financial Statements

OPKO Health, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands except share data)

	June 30, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	$ 35,939	$ 6,678
Marketable securities	4,997	—
Accounts receivable, net	2,165	1,005
Inventory	5,151	4,063
Prepaid expenses and other current assets	1,675	1,720
Total current assets	49,927	13,466
Property and equipment, net	560	659
Intangible assets, net	5,524	6,336
Goodwill	1,097	1,097
Investment	2,262	—
Other assets	335	206
Total assets	$ 59,705	$ 21,764
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 2,201	$ 2,221
Accrued expenses	4,014	5,394
Current portion of notes payable and capital lease obligations	86	97
Total current liabilities	6,301	7,712
Long-term liabilities and capital lease obligations	2,595	1,826
Line of credit with related party, net unamortized discount of $101 and $133, respectively	11,899	11,867
Total liabilities	20,795	21,405
Commitments and contingencies		
Shareholders' equity		
Series A Preferred stock — $0.01 par value, 4,000,000 shares authorized; 932,667 and 953,756 shares issued and outstanding (liquidation value of $2,448 and $2,384) at June 30, 2009 and December 31, 2008, respectively	9	10
Series C Preferred Stock — $0.01 par value, 500,000 shares authorized; No shares issued or outstanding	—	—
Common Stock — $0.01 par value, 500,000,000 shares authorized; 252,594,059 and 199,020,379 shares issued and outstanding at June 30, 2009 and December 31, 2008, respectively	2,526	1,991
Treasury stock - 45,154 and 18,000 shares at June 30, 2009 and December 31, 2008, respectively	(61)	(24)
Additional paid-in capital	360,341	307,498
Accumulated deficit	(323,905)	(309,116)
Total shareholders' equity	38,910	359
Total liabilities and shareholders' equity	$ 59,705	$ 21,764

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

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

	For the three months ended June 30,		For the six months ended June 30,	
	2009	2008	2009	2008
Revenue	$ 2,347	$ 879	$ 4,648	$ 3,703
Cost of goods sold	1,764	1,025	3,325	4,355
Gross margin (deficit)	583	(146)	1,323	(652)
Operating expenses				
Selling, general and administrative	2,926	3,218	6,183	8,562
Research and development	2,498	5,479	8,157	9,835
Write-off of acquired in-process research and development	—	1,398	—	1,398
Other operating expenses, principally amortization of intangible assets	406	428	812	854
Total operating expenses	5,830	10,523	15,152	20,649
Operating loss	(5,247)	(10,669)	(13,829)	(21,301)
Other (expense) income, net	(494)	(249)	(944)	(518)
Loss before income taxes and investment loss	(5,741)	(10,918)	(14,773)	(21,819)
Income tax benefit	(103)	(39)	(138)	(60)
Loss before investment loss in investee	(5,638)	(10,879)	(14,635)	(21,759)
Loss from investment in investee	(38)	—	(38)	—
Net loss	(5,676)	(10,879)	(14,673)	(21,759)
Preferred stock dividend	(58)	(55)	(116)	(110)
Net loss attributable to common shareholders	$ (5,734)	$ (10,934)	$ (14,789)	$ (21,869)
Loss per common share, basic and diluted	$ (0.03)	$ (0.06)	$ (0.07)	$ (0.12)
Weighted average number of common shares outstanding, basic and diluted	225,648,244	183,707,302	212,695,483	182,139,632

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

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

	For the six months ended June 30,	
	2009	2008
Cash flows from operating activities		
Net loss	$ (14,673)	$ (21,759)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	935	906
Write-off of acquired in-process research and development	—	1,398
Accretion of debt discount related to notes payable	32	109
Share based compensation	1,767	4,209
Net recovery of bad debts	(133)	—
Provision for inventory obsolescence	52	—
Loss from investment in investee	38	—
Changes in:		
Accounts receivable	(1,027)	558
Inventory	(1,140)	(1,015)
Prepaid expenses and other current assets	45	222
Other assets	(129)	(148)
Accounts payable	(20)	(812)
Accrued expenses	(762)	882
Net cash used in operating activities	(15,015)	(15,450)
Cash flows from investing activities		
Acquisition of business, net of cash	—	48
Investment in investee	(2,300)	—
Purchase of short-term marketable securities	(4,997)	—
Capital expenditures	(24)	(239)
Net cash used in investing activities	(7,321)	(191)
Cash flows from financing activities:		
Issuance of common stock for cash, to related parties	25,000	
Issuance of common stock for cash	25,990	—
Proceeds from bridge loan with related party	3,000	—
Repayment of bridge loan with related party	(3,000)	—
Insurance financing	217	190
Proceeds from the exercise of stock options and warrants	621	269
Repayments of notes payable and capital lease obligations	(231)	(2,707)
Net cash provided by (used in) financing activities	51,597	(2,248)
Net increase (decrease) in cash and cash equivalents	29,261	(17,889)
Cash and cash equivalents at beginning of period	6,678	23,373
Cash and cash equivalents at end of period	$ 35,939	$ 5,484
SUPPLEMENTAL INFORMATION		
Interest paid	$ 50	$ 98
NON-CASH INVESTING AND FINANCING ACTIVITES		
Issuance of capital stock to acquire Vidus in 2008	$ —	$ 1,319

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

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

NOTE 1. BUSINESS AND ORGANIZATION

We are a specialty healthcare company focused on the discovery, development, and commercialization of proprietary pharmaceuticals, diagnostic and imaging systems and instrumentation products for the treatment, diagnosis and management of ophthalmic diseases. We are expanding our operations in the ophthalmology business, as well as in other medical areas that can lead to important commercial opportunities. We are a Delaware corporation, headquartered in Miami, Florida.

NOTE 2. SUMMARY OF SIGNIFICANT ACCCOUNTING 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 six months ended June 30, 2009, are not necessarily indicative of the results of operations and cash flows that may be reported for the remainder of 2009 or for future periods. The interim condensed consolidated financial statements should be read in conjunction with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2008.

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

Revenue recognition. Generally, we recognize revenue from product sales when goods are shipped and title and risk of loss transfer to our customers. Certain of our products are sold directly to end-users and require that we deliver, install and train the staff at the end-users' facility. As a result, we do not recognize revenue until the product is delivered, installed and training has occurred. During the three months ended June 30, 2009, revenue derived from sales to four significant international customers represented approximately 19%, 16%, 15% and 13% of our revenue, respectively. During the three months ended June 30, 2008, revenue derived from sales to four significant international customers represented 38%, 14%, 12% and 11% of our revenue, respectively. During the six months ended June 30, 2009, revenue derived from sales to three significant international customers represented approximately 19%, 16%, and 15% of our revenue, respectively. During the six months ended June 30, 2008, revenue derived from sales to four significant international customers represented approximately 17%, 15%, 14% and 10% of our revenue, respectively.

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

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

(in thousands)	June 30, 2009	June 30, 2008
Beginning balance	$ 290	$ 226
Accrual for products sold	67	—
Settlements in kind or expired	(62)	—
Ending balance	$ 295	$ 226

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

(in thousands)	June 30, 2009	June 30, 2008
Beginning balance	$ 259	$ 227
Accrual for products sold	128	55
Settlements in kind or expired	(92)	(56)
Ending balance	$ 295	$ 226

Allowance for returns and doubtful accounts. Allowances for estimated sales returns are based upon our history of product returns. The amount of allowance for doubtful accounts at June 30, 2009 and December 31, 2008, was $0.2 million and $0.4 million, respectively. As of June 30, 2009, accounts receivable from four of our international distributors represented approximately 27%, 17%, 14% and 11%, respectively, of our net accounts receivable balance. As of December 31, 2008, accounts receivable from two of our international distributors represented approximately 47% and 19%, respectively, of our net accounts receivable balance.

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

Equity-Based Compensation. We account for equity-based compensation under Statement of Financial Accounting Standards, or SFAS 123(R), *Share-Based Payments*. SFAS 123(R) requires that all equity-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. Equity-based compensation arrangements to non-employees are accounted for in accordance with SFAS 123(R) and Emerging Issues Task Force Issue No. 96-18 (EITF 96-18), "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services," which requires that these equity instruments are recorded at their fair value on the measurement date. As prescribed under SFAS 123(R), 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 as required by SFAS 123(R). 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. During the three and six months ended June 30, 2009 we recorded $1.1 million, $1.8 million, respectively, of equity-based compensation expense. During the three and six months ended June 30, 2008, we recorded $1.5 million and $4.2 million, respectively, of equity-based compensation expense. During the six months ended June 30, 2009 and 2008, 1,916,765 and 4,451,585 shares of common stock, respectively, were issued in connection with the exercise of stock options.

Fair value. We adopted the provisions of SFAS 157, *"Fair Value Measurements,"* or SFAS 157, on January 1, 2008. SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. In accordance with the FASB Staff Position No. FAS 157-2, *"Effective Date of the FASB Statement No. 157,"* or FSP 157-2, we adopted the provisions of SFAS 157 pertaining to our nonfinancial assets and nonfinancial liabilities, except those items recognized or disclosed at fair value on an annual or more recurring basis, on January 1, 2009. Neither of the adoptions of SFAS 157 had a material impact on our fair value measurements.

SFAS 157 establishes 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 June 30, 2009, we held money market funds and treasury securities, maturing September 17, 2009, that qualify as cash equivalents as well as marketable securities which were comprised of treasury securities, maturing October 22, 2009, that are required to be measured at fair value on a recurring basis. We have $10 million of treasury securities that are recorded at amortized cost, which reflects their approximate fair value. We intend to hold the treasury securities through their maturity. In addition, the Ophthalmic Technologies Inc., or ("OTI"), put options were valued at fair value utilizing the Black-Scholes valuation method. During the three and six months ended June 30, 2009, we recorded a reversal of expense of $0.1 million and $0.1 million, respectively, reflecting our stock price fluctuations. During the three and six months ended June 30, 2008, we recorded $30 thousand and $50 thousand of expense, respectively, reflecting our stock price fluctuations during that period. Refer to Note 9.

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 measured at fair value on a recurring basis, subject to the disclosure requirements of SFAS 157 are as follows (in thousands):

	Fair value measurements as of June 30, 2009			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Money market funds	$ 30,941	$ —	$ —	$30,941
Treasury securities	9,995	—	—	9,995
OTI put option	—	187	—	187
Total	$ 40,936	$ 187	$ —	$41,123

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, or SFAS 159, which gives companies the option to measure eligible financial assets, financial liabilities, and firm commitments at fair value (i.e., the fair value option), on an instrument-by-instrument basis, that are otherwise not permitted to be accounted for at fair value under other accounting standards. The election to use the fair value option is available when an entity first recognizes a financial asset or financial liability or upon entering into a firm commitment. Subsequent changes in fair value must be recorded in earnings. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. We adopted SFAS 159 in the first quarter of 2008 and the adoption did not have any impact on our financial position or results of operations as we elected not to apply fair value measurement on an instrument by instrument basis.

Recent accounting pronouncements: In December 2007, the FASB issued SFAS No. 141R, *Business Combinations*, or SFAS 141R. SFAS 141R applies to business combinations and requires, among other things, the expensing of transaction costs, including deal costs and restructuring costs as incurred, the capitalization of acquired in-process research and development assets, the recording at fair value of, certain contingent assets and liabilities including and earn-out arrangements. Changes in fair value of contingent consideration may be required to be recognized each period into earnings. In addition, material adjustments made to the initial acquisition purchase accounting will be required to be recorded back to the acquisition date. This will cause companies to revise previously reported results when reporting comparative financial information in subsequent filings. SFAS No. 141R is effective for the Company on a prospective basis for transactions occurring beginning on January 1, 2009 and earlier adoption is not permitted. We adopted SFAS No. 141R on January 1, 2009. The adoptions may have a material impact on the Company's consolidated financial position, results of operations and cash flows if we enter into material business combinations after January 1, 2009.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB No. 51*, or SFAS 160. SFAS 160 requires minority interests to be recharacterized as noncontrolling interests and reported as a component of equity. In addition, SFAS160 requires that purchases or sales of equity interests that do not result in a change in control be accounted for as equity transactions and, upon a loss of control, requires the interests sold, as well as any interests retained, to be recorded at fair value with any gain or loss recognized in earnings. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008, with early adoption prohibited. We adopted SFAS No. 160 on January 1, 2009. The adoption of SFAS No. 160 did not have a material impact on our condensed consolidated financial statements.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments*. FSP FAS 107-1 and APB 28-1 enhance consistency in financial reporting by increasing the frequency of fair value disclosures. FSP FAS 107-1 and APB 28-1 relate to fair value disclosures for any financial instruments that are not currently reflected on the balance sheet of companies at fair value. Prior to issuing this FSP, fair values for these assets and liabilities were disclosed only once a year. The FSP now requires these disclosures to be made on a quarterly basis, providing qualitative and quantitative information about fair value estimates for all those financial instruments not measured on the balance sheet at fair value. FSP FAS 107-1 and APB 28-1 are effective for interim and annual periods ending after June 15, 2009. We adopted FSP FAS 107-1 and APB 28-1 in the second quarter of fiscal 2009. The adoption of FSP FAS 107-1 and APB 28-1 did not have a material impact on our condensed consolidated financial statements.

In April 2009, the FASB issued FSP No. 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*. This FSP amends the other-than-temporary impairment guidance in U.S. GAAP for debt securities to make the guidance more operational and to improve the presentation and disclosure of the other-than-temporary impairments on debt and equity securities in the financial statements. The FSP is effective for interim and annual reporting periods ending after June 15, 2009. We adopted FSP No. 115-2 and FAS 124-2 in the second quarter of fiscal 2009. The adoption of FSP No. 115-2 and FAS 124-2 did not have a material impact on our condensed consolidated financial statements.

In April 2009, the FASB issued FASB Staff Position, or FSP, FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*. FSP FAS 157-4 provides guidelines for making fair value measurements more consistent with the principles presented in FASB Statement No. 157, Fair Value Measurements. FSP FAS 157-4 relates to determining fair values when there is no active market or where the price inputs being used represent distressed sales. It reaffirms what FASB Statement No. 157 states is the objective of fair value measurement—to reflect how much an asset would be sold for in an orderly transaction (as opposed to a distressed or forced transaction) at the date of the financial statements under current market conditions. Specifically, it reaffirms the need to use judgment to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive. FSP FAS 157-4 is effective for interim and annual periods ending after June 15, 2009. We adopted FSP FAS 157-4 in the second quarter of fiscal 2009. The adoption of FSP FAS 157-4 did not have a material impact on our condensed consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events*. SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS No.165 requires entities to disclose the date through which they have evaluated subsequent events and whether the date corresponds with the issuance of their financial statements. SFAS No. 165 is effective for interim and annual reporting periods ending after June 15, 2009. We adopted SFAS No. 165 in the second quarter of fiscal 2009. The adoption of SFAS No. 165 did not have a material impact on our condensed consolidated financial statements.

In June 2009, the FASB issued Statement No. 168, or SFAS No.168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*. SFAS No.168 will become the single source of authoritative nongovernmental U.S. generally accepted accounting principles, or GAAP, superseding existing FASB, American Institute of Certified Public Accountants, or AICPA, Emerging Issues Task Force, or EITF, and related accounting literature. SFAS No.168 reorganizes the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. Also included is relevant Securities and Exchange Commission guidance organized using the same topical structure in separate sections. SFAS No.168 will be effective for financial statements issued for reporting periods that end after September 15, 2009. As a result, SFAS No.168 is effective for us in the third quarter of fiscal 2009. This will have an impact on our disclosures in the condensed consolidated financial statements since all future references to authoritative accounting literature will be references in accordance with SFAS No.168.

NOTE 3. LOSS PER SHARE

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

A total of 15,692,101 and 29,515,241 potential common shares have been excluded from the calculation of net loss per common share for the three months ended June 30, 2009 and 2008, respectively, because their inclusion would be anti-dilutive. A total of 15,238,119 and 26,856,410 potential common shares have been excluded from the calculation of net loss per common share for the six months ended June 30, 2009 and 2008, respectively, because their inclusion would be anti-dilutive.

NOTE 4. COMPOSITION OF CERTAIN FINANCIAL STATEMENT CAPTIONS

(in thousands)	June 30, 2009 2009	December 31, 2008
Accounts receivable, net:		
Accounts receivable	$ 2,366	$ 1,412
Less allowance for doubtful accounts	(201)	(407)
	$ 2,165	$ 1,005
Inventories, net:		
Raw materials (components)	$ 2,712	$ 2,635
Work-in process	1,520	934
Finished products	1,154	749
Less provision for inventory reserve	(235)	(255)
	$ 5,151	$ 4,063
Intangible assets, net:		
Technology	$ 4,597	$ 4,597
Customer relationships	2,978	2,978
Covenants not to compete	317	317
Tradename	195	195
Other	7	7
Less amortization	(2,570)	(1,758)
	$ 5,524	$ 6,336

NOTE 5. PRIVATE PLACEMENTS OF STOCK

On May 26, 2009, May 29, 2009, and June 1, 2009, we entered into stock purchase agreements with a total of seven accredited investors ("Investors") pursuant to which the Investors agreed to make a $31.0 million investment in the Company in exchange for 31,000,000 shares of our common stock, par value $.01 at $1.00 per share representing a range of discounts of approximately 16% to 21% to the average closing price of our common stock on the NYSE Amex for the five trading days immediately preceding the closing date of the agreements.

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

NOTE 6. PROMISSORY NOTE

On March 4, 2009, the Gamma Trust advanced $3.0 million to us pursuant to a Promissory Note we issued to the Gamma Trust (the "Note"). The entire amount of this advance and all accrued interest thereon was due and payable on the earlier of May 4, 2009, or such earlier date following the closing of the Stock Purchase Transaction with the Gamma Trust discussed in Note 5. The Note bears interest at a rate equal to 11% per annum and may be prepaid in whole or in part without penalty or premium. We repaid the Note and $48 thousand of interest on April 27, 2009.

NOTE 7. INVESTMENT IN BIOTECHNOLOGY COMPANY

On June 10, 2009, we entered into a stock purchase agreement with Sorrento Therapeutics, Inc. ("Sorrento"), a privately held company with a technology for generating fully human monoclonal antibodies, pursuant to which we invested $2.3 million in Sorrento. In exchange for the investment, we acquired approximately one-third of the outstanding common shares of Sorrento and received a fully-paid, exclusive license to the Sorrento antibody library for the discovery and development of therapeutic antibodies in the field of ophthalmology.

NOTE 8. RELATED PARTY TRANSACTIONS

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

On February 23, 2009, we entered into a Stock Purchase Agreement with the Gamma Trust, of which Phillip Frost, M.D., our Chairman and CEO is the sole trustee. Refer to Note 5.

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

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

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

We reimburse Dr. Frost for Company-related use by Dr. Frost and our other executives of an airplane owned by a company that is beneficially owned by Dr. Frost. We reimburse Dr. Frost in an amount equal to the cost of a first class airline ticket between the travel cities for each executive, including Dr. Frost, traveling on the airplane for Company-related business. We do not reimburse Dr. Frost for personal use of the airplane by Dr. Frost or any other executive; nor do we pay for any other fixed or variable operating costs of the airplane. During the three and six months ended June 30, 2009, we recorded general and administrative expenses of approximately $13 thousand and $46 thousand, respectively, for Company-related travel by Dr. Frost and other OPKO executives. For the comparable periods of 2008, we recorded approximately $44 thousand and $86 thousand of general and administrative expense.

We have a fully utilized $12.0 million line of credit with the Frost Group, LLC. The Frost Group members include a trust controlled by Dr. Frost, 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, compounded quarterly, on outstanding borrowings under the line of credit at an 11% annual rate, which is due January 11, 2011. The line of credit is collateralized by all of our personal property except our intellectual property.

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

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

On June 10, 2009, we entered into a stock purchase agreement with Sorrento, pursuant to which we invested $2.3 million in Sorrento and acquired approximately one-third of the outstanding common shares of Sorrento and a fully-paid, exclusive license to the Sorrento antibody library for the discovery and development of therapeutic antibodies in the field of ophthalmology. Refer to Note 7. Dr. Richard Lerner, a member of our Board of Directors, serves as a consultant and scientific advisory board member to Sorrento and owns less than five percent of its shares. On July 14, 2009, QuikByte Software, Inc., a Colorado corporation ("Quikbyte"), entered into a Merger Agreement (the "Merger Agreement") by and among QuikByte, Sorrento, and certain other parties named therein. Upon the satisfaction or waiver of the conditions set forth in the Merger Agreement, QuikByte will acquire Sorrento via a merger. At the effective time of the Merger, all of the issued and outstanding shares of Sorrento common stock (the "Sorrento Shares") will be converted into the right to receive shares of QuikByte common stock, par value $0.0001 per share (the "QuikByte Common Stock"). Immediately following the completion of the Merger, the current QuikByte shareholders will own approximately 4.92% of the surviving company, the Investors (as defined below) will own approximately 19.83% of the surviving company, and the former holders of Sorrento Shares will own approximately 75.25% of the surviving company, in each case on a fully-diluted basis. The closing of the Merger is subject to, among other conditions, QuikByte's receipt of an aggregate investment of $2 million from certain investors (the "Investors") in exchange for shares of QuikByte Common Stock. QuikByte anticipates that affiliates of Dr. Frost will be included among the Investors.

A group of investors led by the Frost Group (the "Frost Investors") previously invested $5 million in Cocrystal Discovery, Inc., a privately held biopharmaceutical company, and agreed to invest an additional $5 million payable in two equal tranches. As a result of an amendment to the Frost Investor agreements dated June 9, 2009, OPKO, rather than the Frost Investors, intends to make the first tranche investment ($2.5 million) on or around September 18, 2009 pursuant to a definitive agreement to be entered by OPKO at the time of the investment on the same terms as those previously agreed by the Frost Investors. Following the second tranche investment of $2.5 million in Cocrystal by the Frost Investors, OPKO will own approximately 16% of Cocrystal and the Frost Group will own approximately 42% of Cocrystal, each on a fully diluted basis. Dr. Frost, Steve Rubin, and Jane Hsiao currently serve on the Board of Directors of Cocrystal.

NOTE 9. COMMITMENTS AND CONTINGENCIES

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

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

We intend to invest $2.5 million in Cocrystal on or about September 18, 2009. Refer to Note 8.

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

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

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

NOTE 10. SUBSEQUENT EVENTS

Pursuant to FAS 165, we have reviewed all subsequent events and transactions that occurred after our June 30, 2009 unaudited condensed consolidated balance sheet dated as of August 7, 2009, our issue date.

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

OVERVIEW

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

We are a specialty healthcare company focused on the discovery, development, and commercialization of proprietary pharmaceuticals, imaging and diagnostic systems, and instruments for the treatment, diagnosis, and management of ophthalmic disorders. We are seeking to expand our operations in the ophthalmology business, as well as in other areas of medicine that may lead to important commercial opportunities. We actively explore opportunities to acquire complementary pharmaceuticals, compounds, and technologies, which could, individually or in the aggregate, materially increase the scale of our business. We also intend to continue exploring strategic opportunities in medical markets that would allow us to benefit from our business and global distribution expertise.

We expect to incur substantial losses as we continue the development of our product candidates and establish a sales and marketing infrastructure in anticipation of the commercialization of our product candidates. We currently have limited commercialization capabilities, and it is possible that we may never successfully commercialize any of our pharmaceutical product candidates. To date, we have devoted a significant portion of our efforts towards research and development. As of June 30, 2009, we had an accumulated deficit of $323.9 million. Since we do not generate revenue from any of our pharmaceutical product candidates and have only generated limited revenue from our instrumentation business, we expect to continue to generate losses in connection with the research and development activities relating to our product candidates and other technologies. Such research and development activities are budgeted to expand over time and will require further resources if we are to be successful. As a result, we believe that our operating losses are likely to be substantial over the next several years. We will need to obtain additional funds to further develop our research and development programs, and there can be no assurance that additional capital will be available to us on acceptable terms, or at all.

RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED JUNE 30, 2009 AND 2008

Revenue. Revenue for the three months ended June 30, 2009, was $2.3 million, compared to $0.9 million for the comparable 2008 period. The increase in revenue during the three months ended June 30, 2009, is the result of our decision during the 2008 period to only ship a limited number of OCT/SLO units internationally while we addressed a warning letter received from the U.S. Food & Drug Administration ("FDA"). Results from the three months ended June 30, 2009 primarily reflect sales of our OCT/SLO product to our international customers. We anticipate demand in both the U.S. market and international markets will increase during the remainder of 2009 as we begin to actively promote the OCT/SLO product at tradeshows in the U.S. and internationally.

Gross margin (deficit). Gross margin for the three months ended June 30, 2009, was $0.6 million compared to a gross deficit of ($0.1) million for the comparable period of 2008. Gross margin improved for the three months ended June 30, 2009 as compared to the same period in 2008 as a result of the cost reduction initiatives we began implementing in 2008 to reduce our costs associated with our OCT/SLO product. During the first half of 2008, we changed a number of suppliers and processes related to our OCT/SLO product which resulted in lower manufacturing costs, resulting in higher gross margins on that product during the second half of 2008 and during 2009. During the three months ended June 30, 2008, we incurred approximately $0.4 million in expense related to production development including bringing a portion of the manufacturing process for our OCT/SLO product in-house.

Selling, general and administrative expense. Selling, general and administrative expense for the three months ended June 30, 2009, was $2.9 million compared to $3.2 million of expense for the comparable period of 2008. Selling, general and administrative expenses during the three months ended June 30, 2009 and 2008, primarily include personnel expenses, including equity-based compensation expense of $0.8 million and $0.9 million, respectively, and professional fees. The decrease in selling, general and administrative expenses primarily reflects decreased personnel costs and sales commissions to our international distributors.

Research and development expense. Research and development expense during the three months ended June 30, 2009, was $2.5 million compared to $5.5 million for the comparable period of 2008. The decrease for the three months ended June 30, 2009, primarily reflects the decision in March 2009 to terminate the Phase III clinical trial for bevasiranib. All site close-out activities were completed during the first half of the second quarter of 2009 and we anticipate that all activities for the Phase III trial will be complete during the third quarter of 2009. The decrease in research and development expense in the 2009 period as a result of the clinical trial shut down was partially offset by increased costs relating to the Aquashunt™ clinical trial which began in the first quarter of 2009 and ongoing development costs for our ophthalmic instrumentation business, which are primarily personnel related expenses. The 2008 period primarily reflects the cost of our Phase III clinical trial for bevasiranib, including costs of clinical trial site and monitoring expenses, personnel costs and outside professional fees. The amount for the three months ended June 30, 2009, includes equity-based compensation expense of $0.4 million, compared to the 2008 period which includes $0.6 million of equity-based compensation expense.

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

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

Other income and expenses. Other expense was $0.5 million for the first three months of 2009 compared to $0.2 million, net of $0.1 million of interest income for the comparable 2008 period. Other income primarily consists of interest earned on our cash and cash equivalents and interest expense reflects the interest incurred on our line of credit. As a result of reduced interest rates during the three months ended June 30, 2009, interest earned decreased significantly.

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

FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2008

Revenue. Revenue for the six months ended June 30, 2009, was $4.6 million, compared to $3.7 million for the comparable 2008 period. The increase in revenue for the six months ended June 30, 2009, as compared to the first six months of 2008 is a result of our decision in the second quarter of 2008 to ship only a limited number of OCT/SLO products internationally while we addressed the FDA warning letter received for our Toronto manufacturing facility. We believe revenue for the six months ended June 30, 2009, was also impacted by our limited participation at tradeshows during 2008 while we focused on enhancing the product and our manufacturing processes. We began marketing and selling our OCT/SLO product in the U.S. at the beginning of 2009. We anticipate demand in both the U.S. market and international markets will increase during the remainder of 2009 as we begin to actively promote the OCT/SLO product at tradeshows in the U.S. and internationally.

Gross margin (deficit). Gross margin for the six months ended June 30, 2009, was $1.3 million compared to a gross deficit of ($0.7) million for the comparable period of 2008. Gross margin for the six months ended June 30, 2009, improved as a result of the cost reduction initiatives we began implementing in 2008 to reduce our costs associated with the OCT/SLO product. During the first half of 2008, we changed a number of suppliers and processes related to our OCT/SLO product which resulted in lower manufacturing costs, resulting in higher gross margins on that product during the second half of 2008 and the first six months of 2009. During the three months ended June 30, 2008, we incurred approximately $0.9 million in expense related to production development including bringing a portion of the manufacturing process for our OCT/SLO product in-house.

Selling, general and administrative expense. Selling, general and administrative expense for the six months ended June 30, 2009, was $6.2 million compared to $8.6 million of expense for the comparable period of 2008. Selling, general and administrative expenses during the first six months of 2009 and 2008, primarily include personnel expenses, including equity-based compensation expense of $1.5 million and $2.9 million, respectively, and professional fees. The decrease in selling, general and administrative expenses primarily reflects decreased personnel costs, including severance and approximately $1.4 million related to the acceleration of vesting for stock options in connection with the termination of certain employees in 2008. In addition, there were decreased sales commissions to our international distributors in the six months of 2009. Partially offsetting these decreases was an increase in professional fees during the six months ended June 30, 2009, as compared to the 2008 period. We anticipate selling, general and administrative expenses will increase during the remainder of 2009 while we increase our sales and marketing activities to promote and support our OCT/SLO product, including the launch costs in the U.S. and participation in additional tradeshows in the U.S. and internationally.

Research and development expense. Research and development expense during the six months ended June 30, 2009, was $8.2 million compared to $9.8 million for the comparable period of 2008. The decrease for the six months ended June 30, 2009, primarily reflects the decrease in activity of the Phase III clinical trial for bevasiranib which was terminated in March 2009. The 2008 period primarily reflects the cost of our Phase III clinical trial for bevasiranib, including costs of clinical trial site and monitoring expenses, personnel costs and outside professional fees. The decrease in research and development expense also reflects the decrease in personnel costs, including equity-based compensation partially offset by increased costs relating to the AquaShunt™ clinical trial which began in the first quarter of 2009 and ongoing development costs for our ophthalmic instrumentation business, which are primarily personnel related expenses. The amount for the six months ended June 30, 2009, includes equity-based compensation expense of $0.2 million, compared to the 2008 period which includes $1.3 million of equity-based compensation expense. The amount for the 2009 period includes the estimated shutdown costs of the trial, including transitioning patients from the trial onto the standard of care therapy and the costs of analyzing the data collected and performing statistical analysis. We anticipate all activities related to this trial will cease in the third quarter of 2009.

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

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

Other income and expenses. Other expense was $0.9 million for the first six months of 2009 compared to $0.5 million, net of $0.2 million of interest income for the comparable 2008 period. Other income primarily consists of interest earned on our cash and cash equivalents and interest expense reflects the interest incurred on our line of credit. As a result of reduced interest rates, interest earned during the six months ended June 30, 2009, decreased significantly.

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

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2009, we had cash, cash equivalents and marketable securities of approximately $40.9 million. Cash used in operations during 2009 primarily reflects payment of liabilities related to the Phase III clinical trial for bevasiranib and related shut down expenses of that trial, as well as selling, general and administrative activities related to our corporate and instrumentation operations. Since our inception, we have not generated significant gross margins to offset our operating and other expenses and our primary source of cash has been from the private placement of stock and through credit facilities available to us.

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

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

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

A group of investors led by the Frost Group (the "Frost Investors") previously invested $5 million in Cocrystal Discovery, Inc., a privately held biopharmaceutical company, and agreed to invest an additional $5 million payable in two equal tranches. As a result of an amendment to the Frost Investor agreements dated June 9, 2009, OPKO, rather than the Frost Investors, intends to make the first tranche investment ($2.5 million) on or around September 18, 2009 pursuant to a definitive agreement to be entered by OPKO at the time of the investment on the same terms as those previously agreed by the Frost Investors. Following the second tranche investment of $2.5 million in Cocrystal by the Frost Investors, OPKO will own approximately 16% of Cocrystal and the Frost Group will own approximately 42% of Cocrystal, each on a fully diluted basis. Dr. Frost, Steve Rubin, and Jane Hsiao currently serve on the Board of Directors of Cocrystal.

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, the Company's Chief Executive Officer and Chairman of the board of directors, Dr. Jane H. Hsiao, Vice Chairman of the board of directors and Chief Technical Officer, Steven D. Rubin, 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, compounded quarterly, on outstanding borrowings under the line of credit at an 11% annual rate, which is due January 11, 2011. The line of credit is collateralized by all of our personal property except our intellectual property.

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

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

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

Equity-based compensation. As of June 23, 2006 (the date of inception), we adopted Statement of Financial Accounting Standards, or SFAS 123(R), *Share-Based Payments*. SFAS123(R) replaces SFAS No. 123, *Accounting for Stock-Based Compensation*, and supersedes APB No. 25. SFAS 123(R) requires that all stock-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. Equity-based compensation arrangements to non-employees are accounted for in accordance with SFAS 123(R) and Emerging Issues Task Force Issue No. 96-18 (EITF 96-18), *Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services*, which requires that these equity instruments are recorded at their fair value on the measurement date. As prescribed under SFAS 123(R), 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 as required by SFAS 123(R). 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 under the provisions of SFAS No. 141, *Business Combinations* or, SFAS 141. Additionally, we must determine whether an acquired entity is considered to be a business or a set of net assets, because a portion of the purchase price can only be allocated to goodwill in a business combination.

Appraisals inherently require significant estimates and assumptions, including but not limited to, determining the timing and estimated costs to complete the in-process R&D projects, projecting regulatory approvals, estimating future cash flows, and developing appropriate discount rates. We believe the estimated fair values assigned to the Vidus assets acquired and liabilities assumed are based on reasonable assumptions. However, the fair value estimates for the purchase price allocation may change during the allowable allocation period under SFAS 141, which is up to one year from the acquisition date, if additional information becomes available that would require changes to our estimates.

Allowance for doubtful accounts and revenue recognition. Generally, we recognize revenue from product sales when goods are shipped and title and risk of loss transfer to our customers. Certain of our products are sold directly to end-users and require that we deliver, install and train the staff at the end-users' facility. As a result, we do not recognize revenue until the product is delivered, installed and training has occurred. Return policies in certain international markets for our medical device products provide for stringent guidelines in accordance with the terms of contractual agreements with customers. Our estimates for sales returns are based upon the historical patterns of products returned matched against the sales from which they originated, and management's evaluation of specific factors that may increase the risk of product returns. The allowance for doubtful accounts recognized in our consolidated balance sheets at June 30, 2009 and December 31, 2008 was $0.2 million and $0.4 million, respectively.

Recent accounting pronouncements: In December 2007, the FASB issued SFAS No. 141R, *Business Combinations*, or SFAS 141R. SFAS 141R applies to business combinations and requires, among other things, the expensing of transaction costs, including deal costs and restructuring costs as incurred, the capitalization of acquired in-process research and development assets, the recording at fair value of, certain contingent assets and liabilities including and earn-out arrangements. Changes in fair value of contingent consideration may be required to be recognized each period into earnings. In addition, material adjustments made to the initial acquisition purchase accounting will be required to be recorded back to the acquisition date. This will cause companies to revise previously reported results when reporting comparative financial information in subsequent filings. SFAS 141R is effective for the Company on a prospective basis for transactions occurring beginning on January 1, 2009 and earlier adoption is not permitted. We adopted SFAS 141R on January 1, 2009. The adoptions may have a material impact on the Company's consolidated financial position, results of operations and cash flows if we enter into material business combinations after January 1, 2009.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB No. 51,*or SFAS 160. SFAS 160 requires minority interests to be recharacterized as noncontrolling interests and reported as a component of equity. In addition, SFAS 160 requires that purchases or sales of equity interests that do not result in a change in control be accounted for as equity transactions and, upon a loss of control, requires the interests sold, as well as any interests retained, to be recorded at fair value with any gain or loss recognized in earnings. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008, with early adoption prohibited. We adopted SFAS 160 on January 1, 2009. The adoption of SFAS 160 did not have a material impact on our condensed consolidated financial statements.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments*. FSP FAS 107-1 and APB 28-1 enhance consistency in financial reporting by increasing the frequency of fair value disclosures. FSP FAS 107-1 and APB 28-1 relate to fair value disclosures for any financial instruments that are not currently reflected on the balance sheet of companies at fair value. Prior to issuing this FSP, fair values for these assets and liabilities were disclosed only once a year. The FSP now requires these disclosures to be made on a quarterly basis, providing qualitative and quantitative information about fair value estimates for all those financial instruments not measured on the balance sheet at fair value. FSP FAS 107-1 and APB 28-1 are effective for interim and annual periods ending after June 15, 2009. We adopted FSP FAS 107-1 and APB 28-1 in the second quarter of fiscal 2009. The adoption of FSP FAS 107-1 and APB 28-1 did not have a material impact on our condensed consolidated financial statements.

In April 2009, the FASB issued FSP No. 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*. This FSP amends the other-than-temporary impairment guidance in U.S. GAAP for debt securities to make the guidance more operational and to improve the presentation and disclosure of the other-than-temporary impairments on debt and equity securities in the financial statements. The FSP is effective for interim and annual reporting periods ending after June 15, 2009. We adopted FSP No. 115-2 and FAS 124-2 in the second quarter of fiscal 2009. The adoption of FSP No. 115-2 and FAS 124-2 did not have a material impact on our condensed consolidated financial statements.

In April 2009, the FASB issued FASB Staff Position, or FSP, FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*. FSP FAS 157-4 provides guidelines for making fair value measurements more consistent with the principles presented in FASB Statement No. 157, Fair Value Measurements. FSP FAS 157-4 relates to determining fair values when there is no active market or where the price inputs being used represent distressed sales. It reaffirms what FASB Statement No. 157 states is the objective of fair value measurement—to reflect how much an asset would be sold for in an orderly transaction (as opposed to a distressed or forced transaction) at the date of the financial statements under current market conditions. Specifically, it reaffirms the need to use judgment to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive. FSP FAS 157-4 is effective for interim and annual periods ending after June 15, 2009. We adopted FSP FAS 157-4 in the second quarter of fiscal 2009. The adoption of FSP FAS 157-4 did not have a material impact on our condensed consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events*. SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS No.165 requires entities to disclose the date through which they have evaluated subsequent events and whether the date corresponds with the issuance of their financial statements. SFAS No. 165 is effective for interim and annual reporting periods ending after June 15, 2009. We adopted SFAS No. 165 in the second quarter of fiscal 2009. The adoption of SFAS No. 165 did not have a material impact on our condensed consolidated financial statements.

In June 2009, the FASB issued Statement No. 168, or SFAS No.168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*. SFAS No.168 will become the single source of authoritative nongovernmental U.S. generally accepted accounting principles, or GAAP, superseding existing FASB, American Institute of Certified Public Accountants, or AICPA, Emerging Issues Task Force, or EITF, and related accounting literature. SFAS No.168 reorganizes the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. Also included is relevant Securities and Exchange Commission guidance organized using the same topical structure in separate sections. SFAS No.168 will be effective for financial statements issued for reporting periods that end after September 15, 2009. As a result, SFAS No.168 is effective for us in the third quarter of fiscal 2009. This will have an impact on our disclosures in the condensed consolidated financial statements since all future references to authoritative accounting literature will be references in accordance with SFAS No.168.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Our exposure to market risk relates to our cash and investments and to our borrowings. We maintain an investment portfolio of money market funds and treasury securities. The securities in our investment portfolio are not leveraged, and are, due to their very short-term nature, subject to minimal interest rate risk. We currently do not hedge interest rate exposure. Because of the short-term maturities of our investments, we do not believe that a change in market interest rates would have a significant negative impact on the value of our investment portfolio except for reduced income in a low interest rate environment. At June 30, 2009, we had cash, cash equivalents and marketable securities of $40.9 million. The weighted average interest rate related to our cash and cash equivalents for the year ended June 30, 2009 was 0.1%. As of June 30, 2009, the principal value of our credit line was $12.0 million, which bears a weighted average interest rate of 11.0%.

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 June 30, 2009. 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.

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

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

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

Refer to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 1, 2009.

Item 3. Defaults Upon Senior Securities

None.

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

The following matter was approved at our annual stockholders meeting, which was held on June 10, 2009.

The election to the Board of Directors of the following nominees:

Name of Nominee	Number of Votes Cast For	Number of Votes Withheld
Phillip Frost, M.D.	155,037,370	405,281
Jane H. Hsiao, Ph.D.	154,970,972	471,679
Steven D. Rubin	154,042,862	1,399,789
Robert A. Baron	155,159,442	283,209
Thomas E. Beier	155,159,442	283,209
Pascal J. Goldschmidt, M.D.	155,162,142	280,509
Richard A. Lerner, M.D.	155,151,048	291,603
John A. Paganelli	155,157,524	285,127
Richard C. Pfenniger, Jr.	153,895,161	1,547,490
Alice Lin-Tsing Yu , M.D., Ph.D.	155,162,142	280,509

Item 5. Other Information

None.

Item 6. Exhibits.

Exhibit 2.1(1)	Merger Agreement and Plan of Reorganization, dated as of March 27, 2007, by and among Acuity Pharmaceuticals, Inc., Froptix Corporation, eXegenics, Inc., e-Acquisition Company I-A, LLC, and e-Acquisition Company II-B, LLC.
Exhibit 2.2(4)+	Securities Purchase Agreement dated May 2, 2008, among Vidus Ocular, Inc., OPKO Instrumentation, LLC, OPKO Health, Inc., and the individual sellers and noteholders named therein.
Exhibit 3.1(2)	Amended and Restated Certificate of Incorporation.
Exhibit 3.2(3)	Amended and Restated By-Laws.
Exhibit 4.1(1)	Form of Common Stock Warrant.

Exhibit 10.1	Form of Stock Purchase Agreement for transactions between the Company and Nora Real Estate SA., Vector Group Ltd., Oracle Partners LP, Oracle Institutional Partners, LP., Chung Chia Company Limited, Gold Sino Assets Limited and Grandtime Associates Limited.
Exhibit 10.2	Stock Purchase Agreement dated June 10, 2009, among Sorrento Therapeutics, Inc. and the Company.
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 June 30, 2009.
Exhibit 31.2	Certification by Rao Uppaluri, Chief Financial Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended June 30, 2009.
Exhibit 32.1	Certification by Phillip Frost, Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended June 30, 2009.
Exhibit 32.2	Certification by Rao Uppaluri, Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended June 30, 2009.

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

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

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

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

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

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: August 7, 2009

OPKO Health, Inc.

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

Exhibit Index

Exhibit Number	Description
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Exhibit 10.1

FORM OF STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement is dated as of ***, 2009 (this "Agreement"), between OPKO Health, Inc., a Delaware corporation (the "Company"), and *** (the "Purchaser").

WHEREAS, the Company desires to sell to Purchaser, and Purchaser desires to purchase from the Company, shares of the Company's common stock, par value $.01 per share (the "Common Stock"), on the terms and subject to the conditions set forth in this Agreement (the "Transaction").

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

Article 1
Purchase and Sale of Common Stock

1.1 Purchase and Sale of the Shares. Subject to the terms and conditions hereof, the Company hereby agrees to issue and sell to Purchaser, and Purchaser hereby agrees to purchase from the Company, *** shares of Common Stock (the "Shares") at a purchase price of $1.00 per share for an aggregate purchase price of $*** (the "Purchase Price").

1.2 Closing. The closing of the issuance and sale of the Shares (the "Closing") shall take place at the Company's offices in Miami, Florida on ***, 2009, or as soon as possible thereafter (the "Closing"). As payment in full for the Shares being purchased at the Closing, Purchaser shall pay to the Company the Purchase Price by wire transfer.

Article 2

Additional Agreements

The Company and Purchaser shall cooperate with each other and use their respective commercially reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and applicable laws and regulations to consummate and make effective the sale of the Shares (the "Sale") and the other transactions contemplated by this Agreement as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, petitions, filings and other documents and to obtain as promptly as practicable all permits, consents, approvals and authorizations necessary or advisable to be obtained from any third party and/or any governmental entity in order to consummate the sale or any of the other transactions contemplated by this Agreement.

Article 3

Representations and Warranties of the Company

The Company represents and warrants to Purchaser as of the date hereof as follows:

3.1 Authorization of Agreements, etc. The execution and delivery by the Company of this Agreement, the performance by the Company of its obligations hereunder, and the issuance, sale and delivery of the Shares have been duly authorized by all requisite corporate action and will not result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice: (a) any provision of the Company's Certificate of Incorporation, as amended, or Bylaws, as amended; (b) any provision of any judgment, decree or order to which the Company is a party or by which it is bound; (c) any material contract or agreement to which the Company is a party or by which it is bound; or (d) any statute, rule or governmental regulation applicable to the Company, except where such violation, conflict, or default would not have a material adverse effect on the Company.

3.2 Valid Issuance of Common Stock. The Shares have been duly authorized and, when issued, sold and delivered in accordance with this Agreement for the consideration expressed herein will be validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof and will be free and clear of all liens, charges and encumbrances of any nature whatsoever except for restrictions on transfer under this Agreement and under applicable Federal and state securities laws.

3.3 Validity. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.4 Brokers and Finders. Neither the Company nor any of its subsidiaries, officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Sale or the other transactions contemplated by this Agreement.

Article 4

Representations and Warranties of Purchaser

The Purchaser represents and warrants to the Company as of the date hereof as follows:

4.1 Validity. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms except:

(a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally; and

(b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

4.2 Investment Representations.

(a) Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") and was not organized for the specific purpose of acquiring the Shares;

(b) Purchaser has sufficient knowledge and experience in investing in companies similar to the Company in terms of the Company's stage of development so as to be able to evaluate the risks and merits of its investment in the Company and it is able financially to bear the risks thereof;

(c) it is the present intention that the Shares being purchased by Purchaser are being acquired for Purchaser's own account for the purpose of investment and not with a present view to or for sale in connection with any distribution thereof;

(d) Purchaser understands that:

(i) the Shares have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof or Rule 505 or 506 promulgated under the Securities Act;

(ii) the Shares must be held indefinitely unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration;

(iii) the Shares will bear a legend to such effect; and

(iv) the Company will make a notation on its transfer books to such effect; and

(e) the Company has made available to Purchaser all documents and information that the Purchaser has requested relating to an investment in the Company.

4.3 Brokers and Finders. The Purchaser has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Sale or the other transactions contemplated by this Agreement.

Article 5

Miscellaneous

5.1 Legend. Each certificate that represents Shares shall have conspicuously endorsed thereon the following legends:

THIS STOCK HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THIS STOCK MAY NOT BE OFFERED OR TRANSFERRED BY SALE, ASSIGNMENT, PLEDGE OR OTHERWISE UNLESS (A) A REGISTRATION STATEMENT FOR THE STOCK UNDER THE SECURITIES ACT IS IN EFFECT OR (B) THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL, WHICH OPINION IS SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OR THE RELEVANT STATE SECURITIES LAWS.

5.2 Brokerage. Each party hereto will indemnify and hold harmless the other against and in respect of any claim for brokerage or other commissions relative to this Agreement or to the transactions contemplated hereby, based in any way on agreements, arrangements or understandings made or claimed to have been made by such party with any third party.

5.3 Parties in Interest. All representations, covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

5.4 Notices. All notices, requests, consents, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, on the date of transmittal of services via telecopy to the party to whom notice is to be given (with a confirming copy delivered within 24 hours thereafter), or on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, or overnight mail via a nationally recognized courier providing a receipt for delivery and properly addressed as follows:

If to the Company: OPKO Health, Inc.
4400 Biscayne Blvd.
Suite 1180
Miami, FL 33137
Attn: Kate Inman, Esq.

If to the Purchaser: To the address specified on the signature pages hereto.

Any party may change its address for purposes of this paragraph by giving notice of the new address to each of the other parties in the manner set forth above.

5.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida for all purposes and in all respects, without regard to the conflict of law provisions of such state.

5.6 Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties with respect to the subject matter hereof.

5.7 Counterparts. This Agreement may be executed in two or more counterparts (including facsimiles), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.8 Amendments and Waivers. This Agreement may be amended or modified, and provisions hereof may be waived, only with the written consent of the Company and the Purchaser.

5.9 Severability. If any provision of this Agreement shall be declared void or unenforceable by any judicial or administrative authority, the validity of any other provision and of the entire Agreement shall not be affected thereby.

5.10 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting any term or provision of this Agreement.

NOW THEREFORE, the Company and Purchaser have executed this Stock Purchase Agreement as of the date first above written.

OPKO HEALTH, INC.

By: /s/
Name:
Title:

INVESTOR

By: /s/
Name:
Title:
Address:

Exhibit 10.2

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement is entered into as of June 10, 2009 (this "Agreement"), among Sorrento Therapeutics, Inc., a California corporation (the "Company"), and OPKO Health, Inc. ("Buyer").

Preliminary Statements

A. The Company is engaged in the business of developing and commercializing a broad, generally applicable platform for the generation of fully human monoclonal antibodies based on its proprietary technology.

B. The Company has agreed to issue to Buyer an aggregate of 2,315,747 shares of the Company's common stock, no par value ("Company Common Stock"), and Buyer desires to purchase such shares of Company Common Stock (the "Purchased Shares") in exchange for $2.3 million in cash (the "Purchase Price") on the terms and conditions set forth herein.

C. In connection with the transactions contemplated by this Agreement, the Company has also agreed to enter into a License Agreement with Buyer, in substantially the form attached hereto as Schedule A (the "License Agreement"), and a Shareholders' Agreement with Buyer and the other holders of the Company's outstanding capital stock, in substantially the form attached hereto as Schedule B (the "Shareholders' Agreement")

Agreement

In consideration of the preliminary statements and the respective representations and warranties, covenants and agreements 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:

"Action" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"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, by contract or otherwise, or such other relationship as, in fact, constitutes actual control.

"Company Intellectual Property" means Intellectual Property owned by the Company.

"Company IP Agreements" means (a) licenses of Intellectual Property by the Company to any third party, (b) licenses of Intellectual Property by any third party to the Company, (c) agreements between the Company and any third party relating to the development or use of Intellectual Property, and (d) consents, settlements, decrees, orders, injunctions, judgments or rulings governing the use, validity or enforceability of Company Intellectual Property.

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

"Environmental Laws" means any Law and any enforceable judicial or administrative interpretation thereof, including any Governmental Order, 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.

"Founders" shall mean Antonius Schuh, Steve Zaniboni, and Henry Ji.

"Governmental Authority" means any national, supranational, state, local or similar government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered into by or with any Governmental Authority.

"Guaranty" means, as to any Person, any contract, agreement or understanding of such Person pursuant to which such Person guarantees the indebtedness, Liabilities or obligations of others, directly or indirectly, in any manner, including agreements to purchase such indebtedness, Liabilities or obligations, or to supply funds to or in any manner invest in others, or to otherwise assure the holder of such indebtedness, Liabilities or obligations against loss.

"Intellectual Property" means (a) all inventions, technology, and other intellectual property (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, statutory invention registrations together with all reissuances, divisions, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof and all rights therein provided by Law or international treaties and conventions; (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, 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, and all applications, registrations, and renewals in connection therewith; (d) all trade secrets and confidential information (including databases, ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, and specifications); (e) all computer programs and software (including data and source and object codes and related documentation); (f) all other property rights in connection with the foregoing; and (g) all copies and tangible embodiments thereof (in whatever form or medium).

"Knowledge" means the actual knowledge of the Founders.

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

"Liabilities" means any liability, debt or obligation (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), any and all Actions, damages, deficiencies, fines, penalties, interest, assessments, judgments, losses, Taxes, costs, expenses, including, without limitation, fees and disbursements of counsel and experts.

"Licensed Intellectual Property" means Intellectual Property licensed to the Company pursuant to the Company IP Agreements.

"Liens" means any liens, claims, charges, rights, pledges, security interests, mortgages, options, title defects or other encumbrances, restrictions or limitations of any nature whatsoever, including any restriction on the use, voting, transfer or other exercise of any attributes of ownership.

"Material Adverse Effect" means any change in or effect on the business of the Company that individually, or together with all other such changes and effects, is materially adverse to the business, assets (including intangible assets), liabilities (contingent or otherwise), condition (financial or otherwise) or results of operations of the Company.

"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, limited liability 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.

"SEC" means the United States Securities and Exchange Commission.

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

"Tax" means any national, state, local or other income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, all gross receipts, sales, use, *ad valorem*, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, assets, minimum income, environmental, customs, duties, 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; 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 of corporations (or being included, or required to be included, in any tax return relating thereto).

"Transaction Documents" means this Agreement, the License Agreement, and the Shareholders' Agreement.

ARTICLE 2

PURCHASE OF CAPITAL; CONSIDERATION

2.1 Capital to be Purchased. Subject to the terms and conditions set forth herein, at the Closing (as defined below), the Company agrees to issue to Buyer and Buyer agrees to purchase from the Company the Purchased Shares, which Purchased Shares shall equal upon closing 34.84% of the Company's issued and outstanding shares of Company Common Stock on a fully diluted basis, after giving effect to all transactions contemplated as of the Closing, and treating all options, warrants, convertible securities and rights to purchase securities of the Company, on an as-exercised and as-converted basis.

2.2 Consideration. In consideration of the sale of the Purchased Shares by the Company to Buyer at the Closing, Buyer shall pay or deliver to the Company the Purchase Price, via wire transfer of immediately available funds (the "Cash Consideration").

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF BUYER

In order to induce the Company to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer makes the representations and warranties set forth below to the Company as of the date hereof.

3.1 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of Delaware.

3.2 Authorization; Enforceability. Buyer has all necessary corporate power and authority to execute and deliver the Transaction Documents, to carry out its obligations and to consummate the transactions contemplated thereby. The execution and delivery of the Transaction Documents by Buyer and the consummation by Buyer of the transactions contemplated thereby have been duly and validly authorized by all requisite corporate action.

3.3 No Violation or Conflict. The execution and delivery of the Transaction Documents by Buyer, the consummation by Buyer of the transactions contemplated thereby and compliance by Buyer with the provisions thereof do not and will not (a) violate or conflict with any provision of Buyer's Organizational Documents; (b) violate or conflict with any Law applicable to Buyer; and (c) with or without the passage of time or the giving of notice, result in the breach of, or constitute a default under, or give to others any right of acceleration of performance, termination, amendment or cancellation of, or result in the creation of any Lien upon any property or assets of, Buyer pursuant to any instrument, contract, obligation or agreement to which Buyer is a party or by which Buyer or its properties may be bound or effected.

3.4 Brokers. Buyer has not 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.

3.5 Purchase Entirely for Own Account. The Purchased Shares to be acquired by the Buyer will be acquired for investment for the Buyer's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and the Buyer has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Buyer further represents that the Buyer does not presently have any contract, undertaking, agreement, or arrangement with any person or entity to sell, transfer or grant participations to such person or entity or to any third person or entity, with respect to any of the Purchased Shares.

3.6 Disclosure of Information. The Buyer has had an opportunity to discuss the Company's business, management, financial affairs, and the terms and conditions of the offering of the Purchased Shares with the Company's management. The foregoing, however, does not limit or modify the representations and warranties of the Company in Article 4 of this Agreement or the right of the Buyer to rely thereon.

3.7 Restricted Securities. The Buyer understands that the Purchased Shares have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Buyer's representations as expressed herein. The Buyer understands that the Purchased Shares are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Buyer must hold the Purchased Shares indefinitely unless they are registered with the SEC and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Buyer acknowledges that the Company has no obligation to register or qualify the Purchased Shares.

3.8 Legends. The Buyer understands that the Purchased Shares and any securities issued in respect of or exchange for the Purchased Shares, may bear the following legends:

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

Notwithstanding the foregoing, the legend referred to in this Section 3.8 shall be removed and the Company shall issue a certificate without such legend to the holder of the Purchased Shares if such Purchased Shares are registered under the Securities Act, or if such holder provides the Company with an opinion of counsel (which may be counsel for the Company) reasonably acceptable to the Company to the effect that a public sale or transfer of such Purchased Shares may be made without registration under the Securities Act.

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

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

In order to induce Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, the Company makes the representations and warranties set forth below to Buyer as of the date hereof.

4.1 Organization. The Company has been duly organized and is validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, as the case may be. The Company is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased 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 or lease 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 violation of any provision of its Organizational Documents.

4.2 Authorization; Enforceability. The Company has all necessary corporate power and authority to execute and deliver the Transaction Documents, to carry out its obligations thereunder, and to consummate the transactions contemplated thereby. The execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated thereby have been duly and validly authorized by all requisite corporate action. This Agreement has been, and upon execution the other Transaction Documents shall have been, duly and validly executed and delivered by the Company and constitutes, and upon execution the other Transaction Documents shall constitute, the legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms.

4.3 No Violation or Conflict. The execution and delivery of the Transaction Documents by the Company, the consummation by the Company of the transactions contemplated thereby, and compliance by the Company with the provisions thereof, do not and will not: (a) violate or conflict with any provision of the Company's Organizational Documents; (b) violate or conflict with any Law applicable to the Company; and (c) with or without the passage of time or the giving of notice, result in the breach of, or constitute a default under, or give to others any right of acceleration of performance, termination, amendment or cancellation of, or result in the creation of any Lien upon any property or assets of the Company, pursuant to any instrument, Contract, obligation or agreement to which the Company is a party or by which the Company or any of its properties may be bound or affected.

4.4 Validity of Purchased Shares. The Purchased Shares, when issued, sold and delivered to Buyer in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, non-assessable and free of restrictions on transfer other than applicable federal and state securities laws, restrictions set forth in the Transaction Documents and liens or encumbrances created by or imposed by Buyer. The Purchased Shares will be issued in compliance with all applicable federal and state securities laws.

4.5 Organizational Documents and Corporate Records. A true and complete copy of (a) the Organizational Documents of the Company, as amended, and (b) the minute books of the Company have been delivered to Buyer. Such minute books contain complete and accurate records of all meetings and other corporate actions of the board of directors, committees of the board of directors, and shareholders of the Company from the date of its incorporation to the date hereof. All matters requiring the authorization or approval of the board of directors, a committee of the board of directors, or the shareholders of the Company have been duly and validly authorized and approved by them.

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

4.7 Capitalization. Schedule 4.7 describes the equity capitalization of the Company immediately prior to, and after, Closing, including without limitation, the number of authorized shares of capital stock, the number of outstanding shares, the names of the holders thereof and the amount of shares held by each such holder. All of the issued and outstanding shares of capital stock (i) have been duly authorized and validly issued and are fully paid and non-assessable and (ii) were issued in compliance with all applicable laws concerning the issuance of the securities. None of the issued and outstanding shares of capital stock were issued in violation of any Law, preemptive rights or rights of first refusal or other agreement or rights. No written or oral agreement or understanding with respect to the disposition of the Company's shares of capital stock or any rights therein, other as may be contained in the Transaction Documents, exists.

4.8 Rights, Warrants, Options. The Company has reserved 10,000,000 shares of Company Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its 2009 Equity Incentive Plan, which has been duly adopted by the Company's board of directors and shareholders (the "Stock Plan"). Of such reserved shares of Company Common Stock, no options to purchase shares have been granted or are currently outstanding. The Company has furnished Buyer complete and accurate copies of the Stock Plan and forms of agreement approved for use thereunder. Other than as may be contained in the Transaction Documents or as described in Schedule 4.7, there are no equity interests, stock options, warrants, notes, convertible securities, rights of first refusal, preemptive rights, subscription rights, stock appreciation, phantom stock or other rights, arrangements or commitments of any character outstanding to which the Company is a party or by which the Company is bound or relating to the Company's issued or unissued capital stock, or equity interests of the Company or obligating the Company to issue, sell, or redeem any capital stock or other equity interests in the Company. Except for the Transaction Documents, there are no voting trusts, shareholder agreements, proxies or other agreements or understandings in effect with respect to the Company's capital stock. 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; Books and Records. The books of account and other financial records of the Company are in all material respects complete and correct, and do not contain or reflect any material inaccuracies or discrepancies and have been maintained in accordance with good business and accounting practices.

4.10 Absence of Undisclosed Liabilities. The Company does not have any Liabilities or commitments of any nature whatsoever, whether accrued, absolute, contingent or otherwise, other than those incurred in the ordinary course of business consistent with past practice and which do not and could not, individually or in the aggregate, have a Material Adverse Effect or otherwise prevent or materially delay the Company from performing its obligations under the Transaction Documents.

4.11 Accounts and Notes Receivable and Payable. Set forth on Schedule 4.11 is a true and complete list of unpaid accounts, Liabilities, 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 only bona fide, valid and binding claims arising in the ordinary course of the Company's business, subject, with regard to receivables to no valid defenses, counterclaims or setoffs.

4.12 Tax Matters. All Tax returns and other similar documents required to be filed with respect to the Company have been timely filed with the appropriate Governmental Authorities in all jurisdictions in which such returns and documents are required to be filed, all of the foregoing are true, correct and complete and reflect accurately all liabilities for Taxes of the Company for the periods to which such returns and documents relate, and all amounts shown as owing thereon have been paid. 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. There are no tax liens on any asset of the Company. 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. The Company has not incurred or will incur any liability, contingent or otherwise, relating to Taxes or otherwise, in connection with the transactions contemplated hereby.

4.13 Assets. The Company owns, leases or has the legal rights to use all properties and assets (tangible and intangible), including the Company Intellectual Property, used or intended to be used in the conduct of the Company's business (the "Assets"). The Company has good and marketable title or leasehold interest to each Asset, free and clear of all Liens.

4.14 Intellectual Property. (a) Schedule 4.14(a) sets forth a true and complete list of (i) all patents and patent applications, registered trademarks and trademark applications, registered copyrights and copyright applications included in the Company Intellectual Property and the Licensed Intellectual Property, and (ii) all Company IP Agreements.

(b) The Company is the sole and exclusive owner of the entire right, title and interest in and to the Company Intellectual Property free and clear of all Liens, and has a valid and exclusive license to use the Licensed Intellectual Property in connection with the Company's business. The Company is the record owner of all Company Intellectual Property with each applicable governmental authority. The Company is entitled to use all Company Intellectual Property and Licensed Intellectual Property in the continued operation of the Company's business without limitation, subject only to the terms of the Company IP Agreements.

(c) The Company Intellectual Property and the Licensed Intellectual Property have not been adjudged invalid or unenforceable in whole or in part, and are valid and enforceable. There have been no claims made or, to the Company's Knowledge, threatened against Company or the Founders, or to its Knowledge, any third party owner of Licensed Intellectual Property asserting any grounds of invalidity, abuse, misuse or unenforceability of any Company Intellectual Property or Licensed Intellectual Property and no grounds for any such claims exist.

(d) To the Knowledge of the Company, the conduct of the Company's business as currently conducted or proposed to be conducted does not infringe, violate or misappropriate the Intellectual Property of any third party, and no Action alleging any of the foregoing are pending, and no Action has been asserted or, to the Company's Knowledge, threatened against any Founder or the Company alleging any of the foregoing.

(e) The Company, or any third party owner of Licensed Intellectual Property, has not made any claim of any infringement, violation or misappropriation by others of the Company Intellectual Property or the Licensed Intellectual Property or interests therein and no grounds for any such claims exist.

(f) Except as contemplated by the License Agreement, no interest in any of the Company's Intellectual Property has been assigned, transferred, licensed or sublicensed by the Company to any Person.

(g) There have been no claims made or threatened against the Company or any third party owner challenging the complete and exclusive ownership of or the right to use the Company Intellectual Property or Licensed Intellectual Property, or suggesting that any other Person has any claim of legal or beneficial ownership with respect thereto.

(h) The Company is currently in compliance in all material respects with all applicable legal requirements (including timely payment of filing, examination, maintenance and legal fees) necessary to protect the Company Intellectual Property or Licensed Intellectual Property.

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

(j) None of the Founders or the Company's employees are obligated under any contract (including licenses, covenants, or commitments of any nature) or other agreement, or subject to any judgment, decree, or order of any court or administrative agency, that would interfere with the use of such individual's full time efforts to promote the interests of the Company or that would interfere with or restrict the Company's business as proposed to be conducted. Neither the execution nor delivery of this Agreement, nor the carrying on of the Company's business as presently conducted, will conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant, or instrument under which any of such individual is now obligated.

4.15 Real Property. The Company does not own or lease any real property.

4.16 Compliance with Environmental Laws. The Company is in compliance with, and for the past three years has been in compliance with, all Environmental Laws. There have been no Governmental Orders issued against the Company for impairment, damage, injury or adverse effect to the environment or public health and, to the Knowledge of the Company, there have been no private complaints with respect to any such matters, and there are no circumstances that would form the basis of any such Governmental Orders.

4.17 Employment Matters.

(a) The Company does not have any employees. The Company has not agreed to or entered into any employment, consulting, severance or indemnification arrangements, agreements, or understandings between the Company and any other Person.

(b) The Company has not established or sponsored, and does not maintain, any employee benefit plan that is subject to the Employee Retirement Income Security Act of 1974, as amended.

4.18 Contracts. Schedule 4.18 sets forth a list of all Company Contracts. Each of the Contracts are in full force and effect and are the valid and legally binding obligations of the Company and, to the Company's Knowledge, are valid and legally binding obligations of the counterparties thereto. The Company is not in breach or violation of, or default under, any of the Contracts, and to the Knowledge of the Company, no counterparty is in breach or violation of, or default under, any Contract. The Company has not received any claim of default and no event has occurred which with the giving of notice or lapse of time or both would constitute such a default. The Company has previously delivered to Buyer true, complete and correct copies of all Contracts.

4.19 Related Parties. There are no agreements, understandings, or proposed transactions between the Company and any of its shareholders, employees, officers, or directors, or their affiliates. The Company is not indebted, directly, or indirectly, to the Company's shareholders, consultants, or employees (prospective or otherwise), or to their respective affiliates, spouses, or children. Except as set forth on Schedule 4.19, none of the Company's shareholders, consultants, employees (prospective or otherwise), or their respective affiliates, spouses or children are, directly or indirectly, indebted to the Company or, to the Company's knowledge, have any direct or indirect ownership interest in (i) any firm or corporation with which the Company is affiliated or with which the Company has a business relationship or (ii) any firm or corporation which competes or will compete with the Company, other than ownership positions in publicly traded companies not exceeding two percent of the outstanding capital stock thereof.

4.20 Compliance with Laws. The Company is, and has at all times, been in compliance with all Laws applicable to it, its business or properties and the Company has not received notification from any Governmental Authority asserting that it is not in compliance with or has violated any Laws, or threatening to revoke any authorization, consent, approval, franchise, license, or Permit, and the Company is not subject to any Governmental Order, agreement or consent decree with any Governmental Authority arising out of previously asserted violations.

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

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

4.23 Governmental Authorizations. The Company has all authorizations, consents, approvals, franchises, licenses and permits required under applicable Law (including Environmental Law) for the ownership of the Company's properties, the operation of its business as presently conducted and proposed to be conducted, and the possession, use and sale of hazardous materials (collectively, the "Permits"). No suspension, nonrenewal or cancellation of any of the Permits is pending or threatened, and there is no reasonable basis therefor. The Company is not in conflict with, or in default or violation of, any Permit.

4.24 Legal Proceedings. There is no Action, mediation or out-of-court settlement negotiation by or against the Company or affecting any of the Assets or business of the Company or pending, or to the Knowledge of the Company, threatened. No person who is or was a director or officer of the Company is a party to any pending or threatened Action, mediation or out-of-court settlement negotiation in their capacity as directors or officers of the Company. Neither the Company, nor any Asset is subject to any Governmental Order, nor is any Governmental Order threatened or pending.

4.25 Brokers. The Company has not employed any financial advisor, broker or finder or 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.

ARTICLE 5

ADDITIONAL COVENANTS AND AGREEMENTS

5.1 Board Observer. At all times when Buyer is a shareholder of the Company and is not otherwise represented on the Company's board of directors, the Company shall invite a representative of Buyer to attend all meetings of the Company's board of directors (and committees thereof) in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time that such materials are given to such directors; provided, however, that such representative may be excluded from access to any material or meeting or portion thereof, solely to the extent the Company reasonably believes, upon advice of counsel, that access to such information or attendance at such meeting or portion thereof could adversely affect the attorney-client privilege between the Company and its counsel. Buyer agrees, and any representative of Buyer will agree, not to disclose any confidential information provided to or learned by it in connection with Buyer's rights pursuant to this Section 5.1.

5.2 Indemnification for Finder's Fee. Buyer agrees to indemnify and hold harmless the Company from any liability for any commission or compensation in the nature of a finder's fee (and the costs and expenses of defending against such liability) for which Buyer or any of its Affiliates is responsible.

5.3 Negotiation Period. During the period commencing on the date of Closing and ending one hundred twenty (120) days thereafter (the "Negotiation Period"), the Company agrees to negotiate in good faith with respect to, and to use commercially reasonable efforts to enter into definitive agreements relating to, a reverse merger transaction (the "Transaction") with QuikByte Software, Inc. ("QuikByte"), on substantially the terms set forth in the non-binding term sheet attached hereto as Schedule C; provided, however, that in the event that, as of the expiration of the Negotiation Period, the Company and QuikByte have not entered into definitive agreements relating to the Transaction but are working in good faith to do so, the Negotiation Period shall automatically be extended for an additional period of reasonable duration so to allow for the completion and execution of such definitive agreements relating to such Transaction.

ARTICLE 6

INDEMNIFICATION

6.1 Investigation. The representations, warranties, covenants and agreements set forth in this Agreement 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 representations, warranties and covenants were made.

6.2 Survival of the Representations and Warranties. The representations and warranties contained in this Agreement shall survive the Closing and shall expire and be of no further force or effect as of the first anniversary of the Closing (the "Termination Date"); provided, however, that if written notice of a claim has been given to the Company prior to such Termination Date, then the relevant representations and warranties shall survive as to such claim until such claim has been finally resolved.

6.3 Indemnification.

(a) Indemnification. The Company agrees to indemnify and hold harmless Buyer and its Affiliates and their successors and assigns (the "Buyer Indemnified Parties") who were or are a party, or are threatened to be made a party, to any threatened, pending or completed Claim (as defined below) from any and all demands, claims, losses, liabilities, damages, costs, and expenses whatsoever (including, without limitation, any fines, penalties, reasonable fees and disbursements of counsel incurred by the Buyer Indemnified Parties in investigating or defending any such Claim, and other reasonable expenses incurred investigating and defending any of the foregoing or enforcing this Article 6), sustained or incurred by a Buyer Indemnified Party resulting from or arising in connection with any inaccuracy in or breach of any of the representations or warranties of the Company set forth in this Agreement.

(b) Indemnification Procedure.

(i) Promptly after a Buyer Indemnified Party obtains knowledge of the commencement of any third party Action 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 Action or event or state of facts being hereinafter referred to in this Section 6.3 as a "Claim"), in respect of which a Buyer Indemnified Party is entitled to indemnification under this Agreement, the Buyer Indemnified Party shall notify the Company of such Claim in writing; provided, however, that any failure to give notice (A) will not waive any rights of the Buyer Indemnified Parties and (B) will not relieve the Company of its obligations as provided in this Section 6.3 except to the extent that such failure materially prejudices the defense of such Claim. With respect to any Claim as to which such notice is given, the Company may elect to assume and control the defense or otherwise settle such Claim; provided, however, that in the event of any such election the Buyer Indemnified Party (1) shall be permitted to join the defense and settlement of such Claim and to employ counsel reasonably satisfactory to it at its expense, and (2) shall cooperate fully with the Company in the defense and any settlement of such Claim in any manner reasonably requested by the Company. The Company shall not make any settlement of any claims without the written consent of the Buyer Indemnified Party, which consent shall not be unreasonably withheld or delayed.

(ii) If the Company elects not 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, the Buyer Indemnified Party, without waiving its right to indemnification shall assume the defense and settlement of such Claim at the Company's expense, provided, however, that (A) the Company shall cooperate with the Buyer Indemnified Party in the defense and settlement of such Claim in any manner reasonably requested by the Buyer Indemnified Party, and (B) the Buyer Indemnified Party shall not settle such Claim without the written consent of the Company, which consent shall not be unreasonably withheld or delayed.

(c) Except in the case of fraud, the indemnification rights of the Buyer Indemnified Parties pursuant to this Agreement shall constitute the sole and exclusive remedy of the Buyer Indemnified Parties for breaches of the representations or warranties of the Company set forth in this Agreement.

ARTICLE 7

CLOSING

7.1 Closing.

(a) The closing of the purchase, sale and issuance of the Purchased Shares pursuant to this Agreement (the "Closing") shall take place at the offices of the Company at 11:00 a.m. Pacific Time on the date of this Agreement.

(b) At the Closing, the Company shall deliver to Buyer (i) certificates representing the Purchased Shares; (ii) an executed counterpart of the Purchase Agreement and the License Agreement; (iii) the Shareholders' Agreement executed by each shareholder of the Company; and (iv) evidence of the assignment to the Company by Dr. Ji of all of his right, title and interest in those patents and patent applications set forth in Schedule 7.1(b).

(c) At the Closing, Buyer shall (i) deliver the Cash Consideration pursuant to Section 2.2; and (ii) an executed counterpart of the Purchase Agreement, the License Agreement, and the Shareholders' Agreement.

ARTICLE 8

MISCELLANEOUS

8.1 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, demands, claims 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, Suite 1180, Miami, Florida 33137, Attn: Deputy General Counsel, Fax (305) 575-4140.

8.2 Entire Agreement. This Agreement, the License Agreement and the Shareholders Agreement, together with their schedules and exhibits, contain every obligation and understanding between the parties relating to the subject matter hereof and thereof, merge 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.

8.3 Assignment. This Agreement may not be assigned by any party without the written consent of the other parties; provided that Buyer may assign this Agreement to an Affiliate, whether such Affiliate currently exists or is formed in the future. 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.

8.4 Waiver and Amendment. Any representation, warranty, covenant, term or condition of this Agreement which may legally be waived, may be waived, or the time of performance thereof extended, at any time by the party hereto entitled to the benefit thereof, and any term, condition or covenant hereof may be amended by the parties hereto at any time. Any such waiver, extension 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.

8.5 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 successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

8.6 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.

8.7 Expenses. Each party agrees to pay, without right of reimbursement from the other party, the 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.

8.8 Headings. 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.

8.9 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.

8.10 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.

8.11 Injunctive Relief. It is possible that remedies at law may be inadequate and, therefore, the parties hereto shall be entitled to equitable relief including, without limitation, injunctive relief, specific performance or other equitable remedies in addition to all other remedies provided hereunder or available to the parties hereto at law or in equity.

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

8.13 Publicity. The parties agree to cooperate in issuing any press release or other public announcement concerning this Agreement or the transactions contemplated hereby. Thereafter, unless otherwise required by applicable Law, including U.S. securities laws, each party shall use reasonable best efforts to consult with each other before issuing any press release or otherwise making any public statements or disclosures with respect to this Agreement or the transactions contemplated hereby.

8.14 Further Assurances. The parties shall deliver any and all other instruments or documents required to be delivered pursuant to, or necessary or proper in order to give effect to, the provisions of this Agreement, including all such instruments of transfer as may be necessary or desirable to issuance of the Purchased Shares to Buyer and to consummate the transactions contemplated by this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

Buyer:

OPKO HEALTH, INC.,

By: /s/
Name:
Title:

4400 Biscayne Boulevard
Miami, Florida 33137
USA
Attn: Jane Hsiao, Chief Technical Officer

Company:

SORRENTO THERAPEUTICS, INC.

By: /s/
Name:
Title:

Address:

Attn:

[SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT]

Exhibit 31.1

CERTIFICATIONS

I, Phillip Frost, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 7, 2009

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

Exhibit 31.2

CERTIFICATIONS

I, Rao Uppaluri, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 7, 2009

/s/ Rao Uppaluri
Rao Uppaluri
Chief Financial Officer

Exhibit 32.1

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

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

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

Date: August 7, 2009

/s/ Phillip Frost
Phillip Frost
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 June 30, 2009 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2009

/s/ Rao Uppaluri
Rao Uppaluri
Chief Financial Officer