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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 September 30, 2011.

OR

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

For the transition period from to .

Commission file number 001-33528

OPKO Health, Inc.

(Exact Name of Registrant as Specified in Its Charter)

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 November 1, 2011, the registrant had 290,272,310 shares of common stock outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995, or PSLRA, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements about our expectations, beliefs or intentions regarding our product development efforts, business, financial condition, results of operations, strategies or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These factors include those described below and in "Item 1A-Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2010, and described from time to time in our reports filed with the Securities and Exchange Commission. Except as required by law, we do not undertake any obligation to update forward-looking statements. We intend that all forward-looking statements be subject to the safe-harbor provisions of the PSLRA. These forward-looking statements are only predictions and reflect our views as of the date they are made with respect to future events and financial performance.

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

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

- If we fail to attract and retain key management and scientific personnel, we may be unable to successfully develop or commercialize our product candidates.
- In the event that we successfully evolve from a company primarily involved in development to a company also involved in commercialization, we may encounter difficulties in managing our growth and expanding our operations successfully.
- If we fail to acquire and develop other products or product candidates, at all or on commercially reasonable terms, we may be unable to diversify or grow our business.
- We have no experience manufacturing our pharmaceutical product candidates other than at our Mexican facility and we therefore rely on third parties to manufacture and supply our pharmaceutical product candidates, and would need to meet various standards necessary to satisfy FDA regulations if and when we commence manufacturing.
- We currently have no pharmaceutical or diagnostic marketing, sales or distribution capabilities other than in Chile and Mexico for sales in those countries. 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.
- Our license agreement with TESARO, Inc. is important to our business. If TESARO does not successfully develop and commercialize rolapitant, our business could be adversely affected.
- If we are unable to obtain and enforce patent protection for our products, our business could be materially harmed.
- We do not have an exclusive arrangement in place with Dr. Tom Kodadek with respect to technology or intellectual property that may be material to our business.
- 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 rely heavily on licenses from third parties.
- We license patent rights to certain of our technology from third-party owners. If such owners do not properly maintain or enforce the patents underlying such licenses, our competitive position and business prospects will be harmed.
- Our commercial success depends significantly on our ability to operate without infringing the patents and other proprietary rights of third parties.
- Adverse results in material litigation matters or governmental inquiries could have a material adverse effect upon our business and financial condition.
- Medicare prescription drug coverage legislation and future legislative or regulatory reform of the health care system may affect our ability to sell our products profitably.
- Failure to obtain regulatory approval outside the United States will prevent us from marketing our product candidates abroad.
- We may not have the funding available to pursue acquisitions.
- Acquisitions may disrupt our business, distract our management and may not proceed as planned; and we may encounter difficulties in integrating acquired businesses.

- Non-U.S. governments often impose strict price controls, which may adversely affect our future profitability.
- Our business may become subject to legal, economic, political, regulatory and other risks associated with international operations.
- The market price of our common stock may fluctuate significantly.
- Directors, executive officers, principal stockholders and affiliated entities own a significant percentage of our capital stock, and they may make decisions that you do not consider to be in your best interests or in the best interests of our stockholders.
- Compliance with changing regulations concerning corporate governance and public disclosure may result in additional expenses.
- If we are unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as they apply to us, or our internal controls over financial reporting are not effective, the reliability of our financial statements may be questioned and our common stock price may suffer.
- We may be unable to maintain our listing on the NYSE, which could cause our stock price to fall and decrease the liquidity of our common stock.
- Future issuances of common stock and hedging activities may depress the trading price of our common stock.
- Provisions in our charter documents and Delaware law could discourage an acquisition of us by a third party, even if the acquisition would be favorable to you.
- We do not intend to pay cash dividends on our common stock in the foreseeable future.

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PART I. FINANCIAL INFORMATION

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

Item 1. Financial Statements

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

(in thousands except share and per share data)

	September 30, 2011	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 47,235	$ 18,016
Marketable securities	40,182	—
Accounts receivable, net	12,688	11,856
Inventory, net	10,516	16,423
Prepaid expenses and other current assets	1,729	2,679
Current assets of discontinued operations	5,279	5,098
Total current assets	117,629	54,072
Property and equipment, net	3,271	2,589
Intangible assets, net	14,252	6,784
Goodwill	6,234	5,856
Investments	5,862	5,114
Other assets	824	111
Assets of discontinued operations	2,929	3,320
Total assets	$ 151,001	$ 77,846
LIABILITIES, SERIES D PREFERRED STOCK, AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 2,556	$ 6,479
Accrued expenses	3,678	3,370
Current portion of lines of credit	12,547	14,690
Current liabilities of discontinued operations	1,460	3,060
Total current liabilities	20,241	27,599
Long-term liabilities	2,154	1,067
Total liabilities	22,395	28,666
Commitments and contingencies		
Series D Preferred Stock - $0.01 par value, 2,000,000 shares authorized; 1,209,677 shares issued and outstanding (liquidation value of $34,813 and $33,013) at September 30, 2011 and December 31, 2010, respectively	26,128	26,128
Shareholders' equity		
Series A Preferred stock - $0.01 par value, 4,000,000 shares authorized; 0 and 897,439 shares issued and outstanding (liquidation value of $0 and $2,468) at September 30, 2011 and December 31, 2010, respectively	—	9
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; 288,141,824 and 255,412,706 shares issued at September 30, 2011 and December 31, 2010, respectively	2,881	2,554
Treasury stock – 2,443,894 and 45,154 shares at September 30, 2011 and December 31, 2010, respectively	(7,893)	(61)
Additional paid-in capital	485,181	376,008
Accumulated other comprehensive income	434	2,921
Accumulated deficit	(378,125)	(358,379)
Total shareholders' equity	102,478	23,052
Total liabilities, Series D preferred stock, and Shareholders' equity	$ 151,001	$ 77,846

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

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2011	2010	2011	2010
Revenue				
Product sales	$ 6,760	$ 5,678	$ 22,113	$ 16,262
Other revenue	47	—	72	—
Total Revenue	6,807	5,678	22,185	16,262
Cost of goods sold, excluding amortization of intangible assets	4,017	3,348	13,085	10,145
Gross margin, excluding amortization of intangible assets	2,790	2,330	9,100	6,117
Operating expenses				
Selling, general and administrative	4,348	4,440	14,102	12,802
Research and development	3,301	1,543	7,097	3,634
Other operating expenses, principally amortization of intangible assets	945	568	2,615	1,558
Total operating expenses	8,594	6,551	23,814	17,994
Operating loss from continuing operations	(5,804)	(4,221)	(14,714)	(11,877)
Other expense, net	(671)	(320)	(757)	(1,047)
Loss from continuing operations before income taxes and investment loss	(6,475)	(4,541)	(15,471)	(12,924)
Income tax (benefit) provision	(27)	83	199	184
Loss from continuing operations before investment losses	(6,448)	(4,624)	(15,670)	(13,108)
Loss from investments in investees	(301)	(208)	(1,175)	(683)
Loss from continuing operations	(6,749)	(4,832)	(16,845)	(13,791)
Loss from discontinued operations, net of tax	(1,487)	(2,522)	(2,841)	(4,462)
Net loss	(8,236)	(7,354)	(19,686)	(18,253)
Preferred stock dividend	(600)	(656)	(1,860)	(1,979)
Net loss attributable to common Shareholders	$ (8,836)	$ (8,010)	$ (21,546)	$ (20,232)
Loss per share, basic and diluted				
Loss per share from continuing operations	$ (0.02)	$ (0.02)	$ (0.06)	$ (0.05)
Loss per share	$ (0.03)	$ (0.03)	$ (0.08)	$ (0.08)
Weighted average number of common shares outstanding, basic and diluted	285,582,259	255,252,433	277,359,789	254,854,652

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

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

	For the nine months ended September 30, 2011	2010
Cash flows from operating activities		
Loss from continuing operations	$ (16,845)	$(13,791)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,858	1,712
Accretion of debt discount related to notes payable	2	248
Equity-based compensation – employees and non-employees	5,350	3,808
Loss from investments in investees	1,175	683
Provision for (recovery of) bad debt	260	(8)
Provision for inventory reserves	534	25
Changes in:		
Accounts receivable	(2,523)	(2,847)
Inventory	4,080	(3,555)
Prepaid expenses and other current assets	224	(263)
Other assets	53	18
Accounts payable	(3,652)	1,372
Accrued expenses	852	(3,731)
Cash used in operating activities from continuing operations	(7,632)	(16,329)
Cash used in operating activities from discontinuing operations	(4,280)	(927)
Net cash used in operating activities	(11,912)	(17,256)
Cash flows from investing activities		
Acquisition of businesses, net of cash	(10,538)	(1,323)
Investment in Neovasc	(2,013)	—
Purchase of marketable securities	(100,161)	(14,997)
Maturities of short-term marketable securities	59,982	14,997
Capital expenditures	(1,249)	(601)
Cash used in investing activities from continuing operations	(53,979)	(1,924)
Cash used in investing activities from discontinued operations	—	(29)
Net cash used in investing activities	(53,979)	(1,953)
Cash flows from financing activities:		
Issuance of common stock, including related parties, net	104,828	—
Purchase of common stock held in treasury	(7,832)	—
Redemption of Series A Preferred Stock	(1,792)	—
Repayment of line of credit with related party	—	(12,000)
Borrowings under lines of credit	10,056	5,476
Repayments under lines of credit	(10,761)	(1,874)
Proceeds from the exercise of stock options and warrants	774	26
Net cash provided by (used in) financing activities	95,273	(8,372)
Effect of exchange rate changes on cash and cash equivalents	(163)	100
Net increase (decrease) in cash and cash equivalents	29,219	(27,481)
Cash and cash equivalents at beginning of period	18,016	42,658
Cash and cash equivalents at end of period	$ 47,235	$ 15,177
SUPPLEMENTAL INFORMATION		
Interest paid	$ 608	$ 4,266
Income taxes paid, net	$ 355	$ (160)
Issuance of capital stock to acquire Exakta-OPKO	$ —	$ 1,999

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

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

NOTE 1 BUSINESS AND ORGANIZATION

We are a multi-national pharmaceutical and diagnostics company that seeks to establish industry-leading positions in large and rapidly growing medical markets by leveraging our discovery, development and commercialization expertise and our novel and proprietary technologies. Our current focus is on conditions with major unmet medical needs. We are developing a range of solutions to diagnose, treat and prevent various conditions, including molecular diagnostics tests, proprietary pharmaceuticals and vaccines. We plan to commercialize these solutions on a global basis in large and high growth markets, including emerging markets. We have already established emerging markets pharmaceutical platforms in Chile and Mexico, which are delivering revenue and which we expect to deliver cash flow and facilitate future market entry for our products currently in development. We also actively explore opportunities to acquire complementary pharmaceuticals, compounds, technologies, and businesses. We are a Delaware corporation, headquartered in Miami, Florida.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation. The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and notes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of only normal recurring adjustments) considered necessary to present fairly the Company's results of operations, financial position and cash flows have been made. The results of operations and cash flows for the three and nine months ended September 30, 2011, are not necessarily indicative of the results of operations and cash flows that may be reported for the remainder of 2011 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, 2010.

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.

Cash and Cash Equivalents. Cash and cash equivalents consist of short-term, interest-bearing instruments with original maturities of 90 days or less at the date of purchase. We also consider all highly liquid investments with original maturities at the date of purchase of 90 days or less as cash equivalents. These investments include money markets, bank deposits, and U.S. treasury securities.

Marketable securities. Investments with original maturities of greater than 90 days and remaining maturities of less than one year are classified as marketable securities. Marketable securities include U.S. treasury securities. Unrealized gains and temporary losses on investments are included in accumulated other comprehensive income (loss) as a separate component of shareholders' equity. Realized gains and losses, dividends, interest income, and declines in value judged to be other-than-temporary credit losses are included in other income (expense). Amortization of any premium or discount arising at purchase is included in interest income.

Comprehensive loss. Our comprehensive loss for the three and nine months ended September 30, 2011 includes net loss for the three and nine months, the unrealized loss of $0.2 million and $0.2 million, respectively, on our common stock options and warrants of Neovasc, Inc. (Refer to Note 5) and the cumulative translation adjustment, net, of $2.5 million and $2.3 million, respectively, for the translation results of our subsidiaries in Chile and Mexico. Comprehensive loss for the three and nine months ended September 30, 2010 includes net loss for the three and nine months and the cumulative translation adjustment, net, of $2.3 million and $0.8 million, respectively, for the translation results of our subsidiaries in Chile and Mexico.

Revenue recognition. Generally, we recognize revenue from product sales when goods are shipped and title and risk of loss transfer to our customers. Certain of our instrumentation products are sold directly to end-users and require that we deliver, install and train the staff at the end-users' facility. As a result, we do not recognize revenue until the product is delivered, installed and training has occurred. Refer to Note 6.

Other revenues include revenue related to upfront license payments, license fees and milestone payments received through our license, collaboration and commercialization agreements. We analyze our multiple-element arrangements to determine whether the elements can be separated and accounted for individually as separate units of accounting. In addition, other revenue includes revenue related to our consulting agreement we entered into with Neovasc, Inc. (Refer to Note 5). We recognize the revenue on a straight-line basis over the contractual term of the agreement.

Non-refundable license fees for the out-license of our technology are recognized depending on the provisions of each agreement. We recognize non-refundable upfront license payments as revenue upon receipt if the license has standalone value and the fair value of our undelivered obligations, if any, can be determined. If the license is considered to have standalone value but the fair value of any of the undelivered items cannot be determined, the license payments are recognized as revenue over the period of our performance for such undelivered items or services. License fees with ongoing involvement or performance obligations are recorded as deferred revenue once received and generally are recognized ratably over the period of such performance obligation only after both the license period has commenced and we have delivered the technology. Our assessment of our obligations and related performance periods requires significant management judgment. If an agreement contains research and development obligations, the relevant time period for the research and development phase is based on management estimates and could vary depending on the outcome of clinical trials and the regulatory approval process. Such changes could materially impact the revenue recognized, and as a result, management reviews the estimates related to the relevant time period of research and development on a quarterly basis.

Revenue from milestone payments related to arrangements under which we have continuing performance obligations are recognized as revenue upon achievement of the milestone only if all of the following conditions are met: the milestone payments are non-refundable; there was substantive uncertainty at the date of entering into the arrangement that the milestone would be achieved; the milestone is commensurate with either the vendor's performance to achieve the milestone or the enhancement of the value of the delivered item by the vendor; the milestone relates solely to past performance; and the amount of the milestone is reasonable in relation to the effort expended or the risk associated with the achievement of the milestone. If any of these conditions are not met, the milestone payments are not considered to be substantive and are, therefore, deferred and recognized as revenue over the term of the arrangement as we complete our performance obligations.

Total deferred revenue related to other revenues was $1.0 million and $0.2 million at September 30, 2011 and December 31, 2010, respectively.

Derivative financial instruments. We record derivative financial instruments on our balance sheet at their fair value and the changes in the fair value are recognized in income when they occur, the only exception being derivatives that qualify as hedges. To qualify the derivative instrument as a hedge, we are required to meet strict hedge effectiveness and contemporaneous documentation requirements at the initiation of the hedge and assess the hedge effectiveness on an ongoing basis over the life of the hedge. At September 30, 2011 and December 31, 2010, our forward contracts for inventory purchases did not meet the documentation requirements to be designated as hedges. Accordingly, we recognize all changes in fair values in our results from operations. Refer to Note 8.

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

Allowance for doubtful accounts. We analyze accounts receivable and historical bad debt levels, customer credit worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts using the specific identification method. Our reported net loss is directly affected by our estimate of the collectability of accounts receivable. Estimated allowances for sales returns are based upon our history of product returns. The amount of allowance for doubtful accounts for continuing operations at September 30, 2011 and December 31, 2010, was $0.3 million and $0.3 million, respectively.

Segment reporting. Our chief operating decision-maker ("CODM") is comprised of our executive management with the oversight of our board of directors. Our CODM reviews our operating results and operating plans and makes resource allocation decisions on a company-wide or aggregate basis. Accordingly, we have aggregated our two operating segments, pharmaceutical operating business and pharmaceutical research and development activities into one reporting segment, pharmaceutical as we expect the businesses to have similar long-term economic characteristics. All of the results from our instrumentation business have been reclassified as discontinued operations. Refer to Note 6.

Equity-based compensation. We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost is recognized in the statement of operations over the period during which an employee is required to provide service in exchange for the award. We record excess tax benefits, realized from the exercise of stock options as a financing cash inflow rather than as a reduction of taxes paid in cash flow from operations. Equity-based compensation arrangements to non-employees are recorded at their fair value on the measurement date. The measurement of equity-based compensation is subject to periodic adjustment as the underlying equity instruments vest. During the three months ended September 30, 2011 and 2010, we recorded $1.8 million and $1.3 million, respectively, of equity-based compensation expense for continuing operations. For the nine month periods ending September 30, 2011 and 2010, we recorded $5.3 million, and $3.8 million, respectively, of equity-based compensation expense for continuing operations.

Recent accounting pronouncements. In May 2011, the Financial Accounting Standards Board ("FASB") issued amended accounting guidance related to fair value measurements and disclosures with the purpose of converging the fair value measurement and disclosure guidance issued by the FASB and the International Accounting Standards Board. The guidance is effective for reporting periods beginning after December 15, 2011. The guidance includes amendments that clarify the intent of the application of existing fair value measurement requirements along with amendments that change a particular principle or requirement for fair value measurements and disclosures. We concluded that the new guidance will not have a material impact on our Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheet, or related disclosures.

In June 2011, the FASB issued amended accounting guidance related to presentation of comprehensive income. The standards update is intended to help financial statement users better understand the causes of an entity's change in financial position and results of operation. It is effective for reporting periods beginning after December 15, 2011. The amendments eliminate the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments require that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The guidance also requires that reclassification adjustments for items that are reclassified from other comprehensive income to net income be presented on the face of the financial statement where the components of net income and other comprehensive income are presented. Upon adoption, we will continue to present components of comprehensive income in our Consolidated Statements of Operations. These statements will include reclassification adjustments as required by the new guidance for all periods presented. Since this new guidance will affect disclosure requirements only, we have concluded that it will not have a material impact on our financial position or results of operations.

In September 2011, the FASB issued ASU to amend the guidance in the ASC related to *Intangibles – Goodwill and Other*. This amendment will provide us the option of performing a qualitative assessment before calculating the fair value of the reporting unit. If it is determined that the fair value of the reporting unit is more likely than not less than the carrying amount, on the basis of qualitative factors, the two-step impairment test would be required. The amendment is effective for annual and interim goodwill impairment tests performed for our 2012 fiscal year, with earlier adoption permitted. This ASU impacts the manner in which goodwill is assessed for impairment but does not change how goodwill is calculated or assigned to reporting units, nor does it revise the requirement to test goodwill annually for impairment. It also does not change the requirement to test goodwill for impairment between annual tests if there are indicators of impairment. This ASU has no effect on our financial condition, results of operations or cash flows.

NOTE 3 LOSS PER SHARE

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

A total of 26,263,152 and 20,968,353 potential common shares have been excluded from the calculation of net loss per share for the three months ended September 30, 2011 and 2010, respectively, because their inclusion would be anti-dilutive. A total of 27,375,394 and 20,067,981 potential common shares have been excluded from the calculation of net loss per share for the nine months ended September 30, 2011 and 2010, respectively, because their inclusion would be anti-dilutive. As of September 30, 2011 the holders of our Series D preferred stock could convert their preferred shares into approximately 14,037,630 shares of our Common Stock, respectively.

During the nine months ended September 30, 2011, approximately 3,389,852 common stock warrants and common stock options to purchase shares of our common stock were exercised, resulting in the issuance of 3,037,412 shares of our Common Stock. Of the 3,389,852 common stock warrants and common stock options exercised, 352,440 shares were surrendered in lieu of a cash payment via the net exercise feature of the warrant agreements.

NOTE 4 COMPOSITION OF CERTAIN FINANCIAL STATEMENT CAPTIONS

(in thousands)	September 30, 2011	December 31, 2010
Accounts receivable, net:		
Accounts receivable	$ 13,017	$ 12,135
Less allowance for doubtful accounts	(329)	(279)
	$ 12,688	$ 11,856
Inventories, net:		
Raw materials	$ 2,354	$ 2,638
Work-in process	327	408
Finished products	8,339	13,642
Less inventory reserve	(504)	(265)
	$ 10,516	$ 16,423
Intangible assets, net:		
Customer relationships	$ 4,161	$ 4,741
Technology	10,000	—
Product registrations	3,883	4,227
Tradename	427	471
Covenants not to compete	62	32
Other	257	7
Less accumulated amortization	(4,538)	(2,694)
	$ 14,252	$ 6,784

The change in value of the intangible assets include the foreign currency fluctuation between the Chilean and Mexican pesos against the US dollar at September 30, 2011 and December 31, 2010. The increase in Technology and Other reflects the acquisition of CURNA, Inc. Refer to Note 5.

NOTE 5 ACQUISITION AND INVESTMENTS

CURNA acquisition

In January 2011, we acquired all of the outstanding stock of CURNA, Inc. (“CURNA”) in exchange for $10.0 million in cash, plus $0.6 million in liabilities, of which, $0.5 million was paid at closing. In addition to the cash consideration, we have agreed to pay to the CURNA sellers a portion of any consideration we receive in connection with certain license, partnership or collaboration agreements we may enter into with third parties in the future relating to the CURNA technology, including, license fees, upfront payments, royalties and milestone payments. As a result, we recorded $0.6 million, as contingent consideration for the future consideration. We will evaluate the contingent consideration on an ongoing basis and the changes in fair value will be recognized in earnings until the contingencies are resolved. CURNA was a privately held company based in Jupiter, Florida, engaged in the discovery of new drugs for the treatment of a wide variety of illnesses, including cancer, heart disease, metabolic disorders and a range of genetic anomalies.

The following table reflects the estimated fair value of the net assets acquired at the date of acquisition:

(in thousands)	
Current assets (including cash of $5)	$ 38
Fixed assets	21
Intangible assets	
Technology	10,000
Patents	290
Total intangible assets	10,290
Goodwill	828
Accounts payable and accrued expenses	(54)
Contingent consideration	(580)
Total purchase price	$10,543

We believe the estimated fair values assigned to the CURNA assets acquired and liabilities assumed are based on reasonable assumptions. However, the fair value estimates for the purchase price allocation may change during the allowable allocation period, which is up to one year from the acquisition date, if additional information becomes available that would require changes to our estimates.

Exakta-OPKO acquisition

In February 2010, we acquired Exakta-OPKO (previously known as Pharmacos Exakta S.A. de C.V.), a privately-owned Mexican company engaged in the manufacture, marketing and distribution of ophthalmic and other pharmaceutical products for government and private markets since 1957. Pursuant to a purchase agreement we acquired all of the outstanding stock of Exakta-OPKO and real property owned by an affiliate of Exakta-OPKO for a total aggregate purchase price of $3.5 million, of which an aggregate of $1.5 million was paid in cash and $2.0 million was paid in shares of our Common Stock, par value $.01. In September 2010, we reduced the consideration paid by $0.1 million in working capital adjustments per the purchase agreement. The number of shares to be issued was determined by the average closing price of our Common Stock as reported on the NYSE Amex for the ten trading days ending on February 12, 2010. A total of 1,371,428 shares of our Common Stock were issued in the transaction which were valued at $2.0 million due to trading restrictions. A portion of the proceeds will remain in escrow for a period of time to satisfy indemnification claims.

Investments

In August 2011, we made an investment in Neovasc Inc. (“Neovasc”) a medical technology company based in Vancouver, Canada, a Canadian publicly traded company. Neovasc is developing devices to treat cardiovascular diseases and is also a leading supplier of tissue components for the manufacturers of replacement heart valves. We invested $2.0 million and received two million Neovasc common shares, and two-year warrants to purchase an additional one million shares for $1.25 a share. We recorded the warrants at their estimated fair value using the Black-Scholes-Merton Model at $0.7 million. We recorded an unrealized loss of $0.1 million at September 30, 2011 related to these warrants to reflect the closing price decrease of Neovasc common stock. We also entered into an agreement with Neovasc to provide strategic advisory services to Neovasc as it continues to develop and commercialize its novel cardiac devices. In connection with the consulting agreement, Neovasc granted us 913,750 common stock options. The options were granted at (Canadian) $1.00 per share and vest annually over three years. We valued the options using the Black-Scholes-Merton Model at $0.8 million on the date of grant and will recognize the revenue over four years as other revenue. In addition, we recorded an unrecognized loss of $0.1 million at September 30, 2011 related to these options to reflect the (Canadian) $0.91 closing share price of Neovasc. Refer to Note 9.

In November 2010, we made an investment in Fabrus, LLC (“Fabrus”), a privately held early stage biotechnology company with next generation therapeutic antibody drug discovery and development capabilities. Fabrus is using its proprietary antibody screening and engineering approach to discover promising lead compounds against several important oncology targets. As of September 30, 2011, we hold approximately 13% of Fabrus’ outstanding membership interests on a fully diluted basis. Our investment was part of a $2.1 million financing for Fabrus and included other related parties. Refer to Note 9.

Effective September 21, 2009, we entered into an agreement pursuant to which we invested $2.5 million in cash in Cocrystal Discovery, Inc., a privately held biopharmaceutical company (“Cocrystal”). Cocrystal is focused on the discovery and development of novel antiviral drugs using a combination of protein structure-based approaches. As of September 30, 2011 we hold approximately 16% of Cocrystal on a fully diluted basis. Refer to Note 9.

On June 10, 2009, we entered into a stock purchase agreement with Sorrento Therapeutics, Inc. (“Sorrento”), a publicly held company with a technology for generating fully human monoclonal antibodies, pursuant to which we invested $2.3 million in Sorrento. OPKO owns approximately 59,015,257 shares of Sorrento common stock, or approximately 26% of Sorrento’s total outstanding common stock at September 30, 2011. The closing stock price for Sorrento’s common stock, a thinly traded stock, as quoted on the over-the-counter markets was $0.23 per share on September 30, 2011. Refer to Note 9.

Rolapitant license

In December 2010, we entered into a license agreement (the “TESARO License”) with TESARO, Inc. (“TESARO”) granting TESARO exclusive rights to the development, manufacture, commercialization and distribution of rolapitant and a related compound. Under the terms of the TESARO License, we are eligible for payments of up to $121.0 million, including an up-front payment of $6.0 million, which was received in December 2010, and additional payments based upon achievement of specified regulatory and commercialization milestones. In addition, TESARO will pay us double digit tiered royalties on sales of licensed product. We will share future profits from the commercialization of licensed products in Japan with TESARO and we will have an option to market the products in Latin America. In connection with the TESARO License, we also acquired an equity position in TESARO. We recorded the equity position at $0.7 million, the estimated fair value based on a discounted cash flow model. In June 2011, TESARO completed an equity financing and as such, is no longer a variable interest entity as it has sufficient resources to carry out its principal activities without additional subordinated financial support.

In accounting for the TESARO License, we determined that we did not have any continuing involvement in the development of rolapitant or any other future performance obligations and, as a result, recognized the $6.0 million up-front payment and the $0.7 million equity position as license revenue during the year ended December 31, 2010.

Pursuant to an asset purchase agreement with Schering-Plough Corporation ("Schering"), we acquired rolapitant and other assets relating to Schering's neurokinin-1 ("NK-1") receptor antagonist program on October 12, 2009 (the "Schering Agreement"). Under the terms of the Schering Agreement, we paid Schering $2.0 million in cash upon closing and agreed to pay up to an additional $27.0 million upon certain development milestones. Rolapitant, the lead product in the NK-1 program, successfully completed Phase II clinical testing for prevention of nausea and vomiting related to cancer chemotherapy and surgery, and other indications. Development of rolapitant and the other assets had been stopped at the time of our acquisition and there were no ongoing clinical trials. We recorded $2.0 million as in-process research and development expense upon our acquisition.

Variable interest entities

We have determined that we hold variable interests in two entities, Fabrus and CoCrystal. We made this determination as a result of our assessment that they do not have sufficient resources to carry out their principal activities without additional subordinated financial support.

In order to determine the primary beneficiary of Cocrystal and Fabrus, we evaluated our investment as well as our investment combined with a related party group to identify who had the most power to control each entity and who received the largest benefits (or absorbed the most losses) from each entity. The related party group when considering our investment in Cocrystal includes OPKO and the Frost Group, LLC (the "Frost Group"). The Frost Group members include Frost Gamma Investments Trust, of which Phillip Frost, MD, our Chairman of our Board of Directors and Chief Executive Officer, is the sole trustee (the "Gamma Trust"), 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. As of September 30, 2011 we own approximately 16% of Cocrystal and members of the Frost Group own approximately 42% of Cocrystal's voting stock on an as converted basis, including 39% held by the Gamma Trust. Dr. Frost, Mr. Rubin, and Dr. Hsiao currently serve on the Board of Directors of Cocrystal and represent 50% of its board. The Gamma Trust can significantly influence Cocrystal through its board representation and voting power. As such, we have determined that the Gamma Trust is the primary beneficiary within the related party group.

The related party group when considering our investment in Fabrus includes OPKO and the Gamma Trust, Hsu Gamma Investment, L.P., of which Jane Hsiao is the general partner ("Hsu Gamma"), and the Richard Lerner Family Trust. Drs. Frost, Hsiao and Lerner are all members of our Board of Directors. As of September 30, 2011, we own approximately 13% of Fabrus and Drs. Frost, Hsiao and Lerner own 24% of Fabrus' voting stock on an as converted basis, including 16% held by the Gamma Trust. Drs. Frost and Hsiao currently serve on the Board of Managers of Fabrus and represent 40% of its board. The Gamma Trust can significantly influence the success of Fabrus through its board representation and voting power. As such, we have determined that the Gamma Trust is the primary beneficiary within the related party group. Because we have the ability to exercise significant influence over Cocrystal's and Fabrus' operations through our related party affiliates, we account for our investments in Cocrystal and Fabrus, under the equity method.

We have not provided financial or other support to the variable interest entities other than those associated with our original investments in Cocrystal and Fabrus and we are not obligated to provide ongoing financial support to them.

The following table reflects our maximum exposure to each of our investments:

Investee name	(in thousands)	Accounting method
Sorrento (2009)	$ 2,300	Equity method
Cocrystal (2009)	2,500	VIE, equity method
Fabrus (2010)	650	VIE, equity method
TESARO (2010)	731	Cost method
NEOVASC (2011)	2,013	Equity method, Cost (warrants)
Less accumulated losses in investees	(2,242)	
Unrealized loss	(90)	
Total	$ 5,862	

NOTE 6 DISCONTINUED OPERATIONS

In September 2011, we announced that we entered into an agreement with OPTOS, Inc., a subsidiary of Optos plc (collectively "OPTOS") to sell our ophthalmic instrumentation business. Upon closing in October 2011, we received $17.5 million of cash and we will receive royalties up to $22.5 million on future sales. We anticipate recording a gain in connection with the sale.

The assets and liabilities related to our instrumentation business have identifiable cash flows that are independent of the cash flows of other groups of assets and liabilities and we will not have a significant continuing involvement with the related products beyond one year after the closing of the transactions. Therefore, the accompanying Condensed Consolidated Balance Sheets report the assets and liabilities related to our instrumentation business as discontinued operations in all periods presented, and the results of operations related to our instrumentation business have been classified as discontinued operations in the accompanying Condensed Consolidated Statements of Operations for all periods presented.

The following table presents the major classes of assets and liabilities that have been presented as assets of discontinued operations and liabilities of discontinued operations in the accompanying Condensed Consolidated Balance Sheets:

In thousands	**September 30, 2011**	**December 31, 2010**
Trade accounts receivable, net	$ 650	$ 1,461
Inventories, net	4,427	3,534
Other current assets	202	103
Total current assets	5,279	5,098
Property, plant and equipment, net	94	140
Intangible assets, net	2,835	3,180
Total assets of discontinued operations	$ 8,208	$ 8,418
Trade accounts payable	$ 299	$ 690
Accrued expenses and other liabilities	1,161	2,370
Total liabilities of discontinued operations	$ 1,460	$ 3,060

The following table presents summarized financial information for the discontinued operations presented in the Condensed Consolidated Statements of Operations:

	For the three months ended September 30,		For the nine months ended September 30,	
(in thousands, except per share amounts)	2011	2010	2011	2010
Total revenue	$ 730	$ 1,922	$ 4,142	$ 6,714
Operating loss	(1,481)	(2,522)	(2,819)	(4,460)
Loss before provision for income taxes	(1,487)	(2,522)	(2,841)	(4,462)
Net loss	(1,487)	(2,522)	(2,841)	(4,462)
Loss per share from discontinued operations, basic and diluted	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.02)

NOTE 7 FAIR VALUE MEASUREMENTS

We record fair value at an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. We utilize a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of September 30, 2011, we held money market funds and treasury securities that qualify as cash equivalents, marketable securities that consist of treasury securities, forward contracts for inventory purchases (Refer to Note 8) and contingent consideration related to the acquisition of CURNA (Refer to Note 5) that are required to be measured at fair value on a recurring basis. As of September 30, 2011, we held money market funds and treasury securities totaling $55.7 million, including $10.0 million of treasury securities maturing October 13, 2011, that are required to be measured at fair value on a recurring basis. In addition, we held $30.2 million of US Treasury Notes. Both the $10.0 million of treasury securities and the $30.2 million of US Treasury Notes are recorded at amortized cost, which reflects their approximate fair value. The carrying value of our other assets and liabilities approximates their fair value due to their short-term nature. In addition, in connection with our investment in Neovasc as well as entering into our consulting agreement with Neovasc, we record our options and warrants at fair value. Refer to Note 5.

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

Our financial assets and liabilities measured at fair value on a recurring basis are as follows:

	Fair value measurements as of September 30, 2011			
(in thousands)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets:				
Money market funds	$ 45,709	$ —	$ —	$45,709
Forward contracts	—	183	—	183
US Treasury Notes	—	30,182	—	30,182
US Treasury securities	10,000	—	—	10,000
Neovasc common stock options		736		736
Neovasc common stock warrants		564		564
Total assets	$ 55,709	$31,665	$ —	$87,374
Liabilities:				
CURNA contingent considerations	$ —	$ —	$ 580	$ 580
Total liabilities	$ —	$ —	$ 580	$ 580

NOTE 8 DERIVATIVE CONTRACTS

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

We record derivative financial instruments on our balance sheet at their fair value as an accrued expense and the changes in the fair value are recognized in our results from operations in other expense net when they occur, the only exception being derivatives that qualify as hedges. To qualify the derivative instrument as a hedge, we are required to meet strict hedge effectiveness and contemporaneous documentation requirements at the initiation of the hedge and assess the

hedge effectiveness on an ongoing basis over the life of the hedge. At September 30, 2011, the forward contracts did not meet the documentation requirements to be designated as hedges. Accordingly, we recognize all changes in fair values in income.

The outstanding contracts at September 30, 2011, have been recorded at fair value, and their maturity details are as follows:

(in thousands) Days until maturity	Contract value	Fair value at September 30, 2011	Unrealized gain
0 to 30	$ 708	$ 646	$ 62
31 to 60	1,060	962	98
61 to 90	46	41	5
91 to 120	55	50	5
121 to 180	147	134	13
More than 180	—	—	—
Total	$ 2,016	$ 1,833	$ 183

NOTE 9 RELATED PARTY TRANSACTIONS

On August 17, 2011, we made an investment in Neovasc Inc. a medical technology company. Refer to Note 5. Dr. Frost and other members of OPKO management are shareholders of Neovasc. Prior to the investment, Dr. Frost beneficially owned approximately 36% of Neovasc, Dr. Jane Hsiao owned approximately 6%, and each of Dr. Uppaluri and Mr. Rubin owned less than 1%. Dr. Jane Hsiao and Steven Rubin also serve on the board of directors for Neovasc.

On March 14, 2011, we issued 27,000,000 shares of our Common Stock. Refer to Note 12. The 27,000,000 shares of our Common Stock issued include an aggregate of 3,733,000 shares of our Common Stock purchased by the Gamma Trust and Hsu Gamma at the public offering price. The Gamma Trust purchased an aggregate of 3,200,000 shares for approximately $12 million, and Hsu Gamma purchased an aggregate of 533,000 shares for approximately $1.9 million. Jefferies & Company, Inc. and J.P. Morgan Securities LLC acted as joint book-running managers for the offering. UBS Investment Bank and Lazard Capital Markets LLC acted as co-lead managers for the offering and Ladenburg Thalmann & Co. Inc., a subsidiary of Ladenburg Thalmann Financial Services Inc., acted as co-manager for the offering. Dr. Frost is the Chairman of the Board of Directors and principal shareholder of Ladenburg Thalmann Financial Services Inc.

On January 28, 2011, we entered into a definitive agreement with CURNA and each of CURNA's stockholders and optionholders, pursuant to which we agreed to acquire all of the outstanding stock of CURNA in exchange for $10.0 million in cash, plus $0.6 million in liabilities, of which $0.5 million was paid at closing. At the time of the transaction, The Scripps Research Institute ("TSRI") owned approximately 4% of CURNA. Dr. Frost serves as Trustee for TSRI and Richard Lerner is its President.

We have an unutilized $12.0 million line of credit with the Frost Group. On June 2, 2010 we repaid all amounts outstanding on the line of credit including $12 million in principal and $4.1 million in interest. The line of credit, which previously expired on January 11, 2011, was renewed on February 22, 2011 until March 31, 2012 on substantially the same terms as those in effect at the time of expiration. We have the ability to draw funds under the line of credit until its expiration in March 2012. We are obligated to pay interest upon maturity, capitalized quarterly, on outstanding borrowings under the line of credit at an 11% annual rate. The line of credit is collateralized by all of our U.S. personal property except our intellectual property.

In November 2010, we made an investment in Fabrus, a privately held early stage biotechnology company with next generation therapeutic antibody drug discovery and development capabilities. In exchange for the investment, we acquired approximately 13% of Fabrus' outstanding membership interests on a fully diluted basis. Our investment was part of a $2.1 million financing for Fabrus. Other investors participating in the financing include the Gamma Trust and Hsu Gamma. In connection with the financing, Drs. Frost and Hsiao joined the Fabrus Board of Managers. Dr. Richard Lerner, a director of the Company, owns approximately 5% of Fabrus. Vaughn Smider, Founder and CEO of Fabrus, is an Assistant Professor at TSRI. Dr. Frost serves as a Trustee for TSRI, and Richard Lerner serves as its President.

On July 20, 2010, we entered into a use agreement with TRSI for approximately 1,100 square feet of space in Jupiter, Florida to house our molecular diagnostics operations. Pursuant to the terms of the use agreement, which is

effective as of November 1, 2009, gross rent is approximately $40 thousand per year for a two-year term which may be extended upon mutual agreement for one additional year. In June 2011, the Company entered into a letter agreement with TSRI pursuant to which it licensed approximately 120 square feet of additional space for three months on substantially the same terms as the use agreement.

On June 1, 2010, the Company entered into a cooperative research and development agreement with Academia Sinica in Taipei, Taiwan ("Academia Sinica"), for pre-clinical work for a compound against various forms of cancer. Dr. Alice Yu, a member of our Board of Directors, is a Distinguished Research Fellow and Associate Director at the Genomics Research Center, Academia Sinica ("Genomics Research Center"). In connection with the agreement, we are required to pay Academia Sinica approximately $0.2 million over the term of the agreement.

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

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

On July 20, 2009, we entered into a worldwide exclusive license agreement with Academia Sinica in Taipei, Taiwan, for a new technology to develop protein vaccines against influenza and other viral infections. Dr. Alice Yu, a member of our Board of Directors, is a Distinguished Research Fellow and Associate Director at the Genomics Research Center. In connection with the license, the Company paid to Academia Sinica an upfront licensing fee and agreed to pay royalties and other payments on the occurrence of certain development milestones.

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 Drs. Frost and Hsiao. Effective as of July 1, 2011, the lease was amended to include an additional 5,000 square feet of space at the same rate per square foot as was then in effect under the lease. Following the amendment, gross rent payable under the lease is $0.2 million per year. Upon the closing of the sale of the Company's instrumentation business to Optos, the Company assigned the lease to Optos.

On June 10, 2009, we entered into a stock purchase agreement with Sorrento, pursuant to which we invested $2.3 million in Sorrento. Refer to Note 5. In exchange for the investment, we acquired approximately one-third of the outstanding common shares of Sorrento and received a fully-paid, exclusive license to the Sorrento antibody library for the discovery and development of therapeutic antibodies in the field of ophthalmology. On September 21, 2009, Sorrento entered into a merger transaction with Quikbyte Software, Inc. Prior to the merger transaction, certain investors, including Dr. Frost and other members of OPKO management, made an investment in Quikbyte. Dr. Richard Lerner, a member of our Board of Directors, serves as a consultant and scientific advisory board member to Sorrento and owns less than one percent of its shares.

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 $18 thousand per month in the first year increasing annually to $24 thousand per month in the fifth year, plus applicable sales tax. The rent is inclusive of operating expenses, property taxes and parking. The rent for the first year was reduced to reflect a $30 thousand credit for the costs of tenant improvements.

On September 19, 2007, we entered into an exclusive technology license agreement with Winston Laboratories, Inc. ("Winston"). On February 23, 2010, we provided Winston notice of termination of the license agreement, and the agreement terminated on May 24, 2010. Previously, members of the Frost Group beneficially owned approximately 30% of Winston Pharmaceuticals, Inc., and Dr. Uppaluri, our Chief Financial Officer, served as a member of Winston's board. Effective May 19, 2010, the members of the Frost Group sold 100% of Winston's capital stock beneficially owned by them to an entity whose members include Dr. Joel E. Bernstein, the President

and Chief Executive Officer of Winston. As consideration for the sale, the Frost Group members received an aggregate of $789,500 in cash and non-recourse promissory notes in the aggregate principal amount of $10,263,500. Dr. Uppaluri resigned from the Winston board effective May 19, 2010.

We reimburse Dr. Frost for Company-related use by Dr. Frost and our other executives of an airplane owned by a company that is beneficially owned by Dr. Frost. We reimburse Dr. Frost in an amount equal to the cost of a first class airline ticket between the travel cities for each executive, including Dr. Frost, traveling on the airplane for Company-related business. We do not reimburse Dr. Frost for personal use of the airplane by Dr. Frost or any other executive; nor do we pay for any other fixed or variable operating costs of the airplane. For the three and nine months ended September 30, 2011, we reimbursed Dr. Frost approximately $14 thousand and $127 thousand, respectively, for Company-related travel by Dr. Frost and other OPKO executives. For the three and nine months ended September 30, 2010, we reimbursed Dr. Frost approximately $5 thousand and $30 thousand, respectively, for Company-related travel by Dr. Frost and other OPKO executives.

NOTE 10 COMMITMENTS AND CONTINGENCIES

In connection with our acquisition of CURNA, we agreed to pay a portion of future consideration to the CURNA sellers if we license or partner the CURNA technology with a third party including, license fees, upfront payments, royalties and milestone payments. As a result, we recorded $0.6 million, as contingent consideration for the future consideration. Refer to Note 5.

On January 7, 2010, we received a letter from counsel to Nidek Co., Ltd. (“Nidek”) alleging that Ophthalmic Technologies, Inc. (“OTI”) or OPKO breached its service obligations to Nidek under the Service Agreement between OTI, Nidek and Newport Corporation, dated December 29, 2006, and the Service Agreement by and between Nidek and OTI, dated the same date. We entered into a settlement agreement in April 2011 which resolved all disputes between the Company and Nidek and released us from any future service obligation to Nidek. The settlement did not have a material impact on our results of operations or financial condition.

On May 6, 2008, we completed the acquisition of Vidus Ocular, Inc. (“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 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.

NOTE 11 SEGMENTS

We currently manage our operations in one reportable segment, pharmaceutical. The pharmaceutical segment consists of two operating segments, our (i) pharmaceutical research and development segment which is focused on the research and development of pharmaceutical products, diagnostic tests and vaccines, and (ii) the pharmaceutical operations we acquired in Chile and Mexico through the acquisition of OPKO Chile and Exakta-OPKO. There are no inter-segment sales. We evaluate the performance of each segment based on operating profit or loss. There is no inter-segment allocation of interest expense and income taxes.

In connection with the classification of our ophthalmic instrumentation business as discontinued operations, we have reclassified activities related to our Aquashunt development program to our pharmaceutical research and development operating segment.

Information regarding our geographic activities is as follows:

(in thousands)	For the three months ended September 30, 2011	2010	For the nine months ended September 30, 2011	2010
Product sales				
Chile	$ 5,356	$ 4,517	$ 17,545	$ 13,711
Mexico	1,404	1,161	4,568	2,551
All others	—	—	—	—
	$ 6,760	$ 5,678	$ 22,113	$ 16,262

During the three and nine months ended September 30, 2011, our largest customer represented approximately 20% and 18% of our revenue from continuing operations, respectively. As of September 30, 2011, our largest customer represented approximately 35% of our accounts receivable balance from continuing operations. During the three months ended September 30, 2010, our two largest customers represented approximately 16% and 10%, respectively, of revenue from continuing operations. During the nine months ended September 30, 2010, our two largest customers represented 12% and 10% of our revenue from continuing operations. As of December 31, 2010, two customers represented 35% and 12%, respectively, of our accounts receivable balance from continuing operations.

NOTE 12 COMMON STOCK ISSUANCE, REPURCHASE AND SERIES A PREFERRED STOCK REDEMPTION

On March 14, 2011, we issued 27,000,000 shares of our Common Stock in a public offering at a price of $3.75 per share. We also granted the underwriters a 30-day option to purchase up to an additional 4,050,000 shares of our Common Stock to cover overallotments, if any. On March 15, 2011, representatives for the underwriters provided us notice that the underwriters exercised a portion of their 4,050,000 share over-allotment option for 2,397,029 additional shares of our Common Stock.

The following table reflects the proceeds received from the issuance of shares:

(in thousands, except share amounts)	Shares	Dollars
Original issuance	27,000,000	$101,250
Over-allotment	2,397,029	8,989
Total	29,397,029	110,239
Underwriters discount and commissions[1]	5.5% on 24,064,029 shares	(4,963)
Offering expenses		(448)
Net proceeds		$104,828

(1) The underwriters did not receive any underwriting discount or commissions on the sale of 5,333,000 shares of common stock to entities associated with certain stockholders, including two of our directors and executive officers. Refer to Note 9.

On June 20, 2011, we repurchased 2,398,740 shares of our Common Stock for an aggregate purchase price of $7.8 million through a privately negotiated transaction with an early investor in Acuity Pharmaceuticals, Inc., a predecessor company of ours.

On June 3, 2011, we redeemed all outstanding shares of our Series A Preferred Stock for an aggregate redemption price of $1.8 million, including accrued dividends.

NOTE 13 SUBSEQUENT EVENTS

On October 11, 2011, we completed the sale of our ophthalmic instrumentation businesses to Optos. Refer to Note 6.

On October 13, 2011, we acquired Claros Diagnostics, Inc. (“Claros”) pursuant to an agreement and plan of merger. We paid $10.0 million in cash, subject to certain set-offs and deductions, and $20.0 million in shares of our common stock (the “Stock Consideration”), based on the average closing sales price per share of our Common Stock

as reported by the New York Stock Exchange for the ten trading days immediately preceding the closing date of the Merger, or $4.45 per share. Pursuant to the merger agreement, $5.0 million of the Stock Consideration is held in a separate escrow account to secure the indemnification obligations of Claros under the Claros Merger Agreement. In addition, the merger agreement provides for the payment of up to an additional $19.125 million in shares of our Common Stock upon and subject to the achievement of certain milestones.

On November 3, 2011, our Board of Directors declared a cash dividend to all Series D Preferred Stockholders as of November 3, 2011. The total cash dividend is expected to be approximately $4.7 million.

We have reviewed all subsequent events and transactions that occurred after the date of our September 30, 2011 condensed consolidated balance sheet date, through the time of filing this Quarterly Report on Form 10-Q.

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, 2010 (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, 2010. These risks could cause our actual results to differ materially from those anticipated in these forward-looking statements.

We are a multi-national pharmaceutical and diagnostics company that seeks to establish industry-leading positions in large and rapidly growing medical markets by leveraging our discovery, development and commercialization expertise and our novel and proprietary technologies. Our current focus is on conditions with major unmet medical needs. We are developing a range of solutions to diagnose, treat and prevent various conditions, including molecular diagnostics tests, proprietary pharmaceuticals and vaccines. We plan to commercialize these solutions on a global basis in large and high growth markets, including emerging markets. We have already established emerging markets pharmaceutical platforms in Chile and Mexico, which are delivering revenue and which we expect to deliver cash flow and facilitate future market entry for our products currently in development. We also actively explore opportunities to acquire complementary pharmaceuticals, compounds, technologies, and businesses.

We expect to incur substantial losses as we continue the development of our product candidates, continue our other research and development activities, and establish a sales and marketing infrastructure in anticipation of the commercialization of our diagnostic and pharmaceutical product candidates. We currently have limited commercialization capabilities, and it is possible that we may never successfully commercialize any of our diagnostic and pharmaceutical product candidates. We do not currently generate revenue from any of our diagnostic and pharmaceutical product candidates. Our research and development activities are budgeted to expand over a period of time and will require further resources if we are to be successful. As a result, we believe that our operating losses are likely to be substantial over the next several years. We may 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 in the future when needed on acceptable terms, or at all.

RECENT DEVELOPMENTS

On October 13, 2011, we acquired Claros Diagnostics, Inc. ("Claros") pursuant to an agreement and plan of merger. We paid $10.0 million in cash, subject to certain set-offs and deductions, and $20.0 million in shares of our common stock (the "Stock Consideration"), based on the average closing sales price per share of our Common Stock as reported by the New York Stock Exchange for the ten trading days immediately preceding the closing date of the Merger, or $4.45 per share. Pursuant to the merger agreement, $5.0 million of the Stock Consideration is held in a separate escrow account to secure the indemnification obligations of Claros under the Claros Merger Agreement. In addition, the merger agreement provides for the payment of up to an additional $19.125 million in shares of our Common Stock upon and subject to the achievement of certain milestones.

On September 21, 2011, we entered into an agreement to sell our ophthalmic instrumentation business to OPTOS, Inc., a subsidiary of Optos plc, (collectively, "OPTOS") a medical technology company engaged in the design, development, manufacture and marketing of devices to image the retina of the eye. We received $17.5 million in cash upon closing, which occurred on October 11, 2011 and OPTOS acquired our worldwide activities for the development and commercialization of ophthalmic diagnostic imaging systems. In addition, OPTOS will pay us up to $22.5 million in future royalties on future sales.

In September 2011, we transferred the listing of our Common Stock from the NYSE Amex to the New York Stock Exchange.

On August 17, 2011, we made a $2.0 million investment in Neovasc Inc. ("Neovasc") a medical technology company based in Vancouver, Canada. Neovasc is developing unique devices to treat cardiovascular diseases and is also a leading supplier of tissue components for the manufacturer of replacement heart valves. We received two million Neovasc common shares, and two-year warrants to purchase an additional one million shares for $1.25 a share. We have also entered into an agreement with Neovasc to provide strategic advisory services to Neovasc as it continues to develop and commercialize its novel cardiac devices.

RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

Revenue. Revenue for the three months ended September 30, 2011, was $6.8 million, compared to $5.7 million for the comparable 2010 period. The increase in revenue during the three months ended September 30, 2011 is due to revenue from our Chilean and Mexican pharmaceutical businesses as we increase the customer base at those businesses.

Gross margin. Gross margin for the three months ended September 30, 2011, was $2.8 million compared to $2.3 million for the comparable period of 2010. Gross margin for the three months ended September 30, 2011, increased primarily as a result of the increased gross margin generated by our pharmaceutical businesses in Chile and Mexico.

Selling, general and administrative expense. Selling, general and administrative expense for the three months ended September 30, 2011, was $4.3 million compared to $4.4 million of expense for the comparable period of 2010. The increase in selling, general and administrative expenses is primarily the result of increased professional fees and personnel expenses, partially offset by decreased equity based compensation. Selling, general and administrative expenses during the three months ended September 30, 2011 and 2010 primarily include personnel expenses, including equity-based compensation expense of $0.5 million and $1.2 million, respectively, and professional fees.

Research and development expense. Research and development expense during the three months ended September 30, 2011 and 2010, was $3.3 million and $1.5 million, respectively. The increase in research and development expense primarily related to our molecular diagnostics development programs and development of the technology acquired from CURNA including increased personnel expenses. The three months ended September 30, 2011 and 2010, include equity-based compensation expense of $1.3 million and $0.2 million, respectively.

Other operating expenses. Other operating expenses were $0.9 million and $0.6 million, respectively, for the three months ended September 30, 2011 and September 30, 2010. Other operating expenses primarily include the amortization of intangible assets. Amortization expense during the three months ended September 30, 2011 increased from the 2010 comparable period as a result of the 2011 period including amortization expense related to the CURNA intangible assets acquired in January 2011.

Other income and expenses. Other expense was $0.7 million for the three months ended September 30, 2011 compared to $0.3 million for the comparable 2010 period. Other income and expense primarily consists of interest earned on our cash and cash equivalents, offset by increased interest expense on our lines of credit in Chile and foreign currency expense. Other expense during the 2010 period primarily reflects the interest incurred on our lines of credit in Chile and foreign exchange.

Income taxes. Our income tax provision reflects the income tax payable in Chile and Mexico. We have recorded a full valuation allowance against our deferred tax assets in the U.S.

Discontinued operations. Loss from discontinued operations was $1.5 million for the three months ended September 30, 2011 compared to $2.5 million for the three months ended September 30, 2010. Loss from discontinued operations decreased during the 2011 period from the 2010 period as a result of decreased selling, general and administrative expenses as well as decreased amortization expense related to intangibles that were fully amortized in November 2010.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

Revenue. Revenue for the nine months ended September 30, 2011, was $22.2 million, compared to $16.3 million for the comparable 2010 period. The increase in revenue during the first nine months of 2011 is primarily due to revenue from our pharmaceutical businesses in Chile and Mexico. We acquired Exakta-OPKO in February 2010, and as a result, the 2010 period reflects revenue only after the acquisition occurred.

Gross margin. Gross margin for the nine months ended September 30, 2011, was $9.1 million compared to $6.1 million for the comparable period of 2010. Gross margin for the nine months ended September 30, 2011, increased from the 2010 period primarily as a result of the increased gross margin generated by our pharmaceutical businesses in Chile and Mexico.

Selling, general and administrative expense. Selling, general and administrative expense for the nine months ended September 30, 2011, was $14.1 million compared to $12.8 million of expense for the comparable period of 2010. The increase in selling, general and administrative expenses is primarily the result of increased warehousing and distribution costs for our Chilean operations, and a full period of selling, general and administrative expenses for our operations in Mexico. Selling, general and administrative expenses during the first nine months of 2011 and 2010 primarily include personnel expenses, including equity-based compensation expense of $2.2 million and $3.4 million, respectively, and professional fees.

Research and development expense. Research and development expense during the nine months ended September 30, 2011 and 2010, was $7.1 million and $3.6 million, respectively. The increase in research and development expense primarily is the result of increased personnel expenses including equity based compensation expense. The nine months ended September 30, 2011 and 2010, include equity-based compensation expense of $3.0 million and $0.7 million, respectively. During the nine months ended September 30, 2011, research and development expense primarily consisted of activities related to our molecular diagnostics development program and development of the technology acquired from CURNA. Research and development expense for the nine month period ended September 30, 2010 primarily included activities related to our rolapitant development program, which we out-licensed in December 2010, as well as our molecular diagnostics development programs.

Other operating expenses. Other operating expense was $2.6 million for the nine months ended September 30, 2011 compared to $1.6 million for the nine months ended September 30, 2010. Other operating expenses primarily include the amortization of intangible assets. Amortization expense during the nine months ended September 30, 2011 increased from the comparable period of 2010 as a result of amortization expense of the CURNA intangible assets acquired in January 2011.

Other income and expenses. Other expense, net was $0.8 million for the first nine months of 2011 compared to other expense, net of $1.0 million for the comparable 2010 period. Other income and expenses primarily consists of interest earned on our cash and cash equivalents offset by interest expense on our Chilean lines of credit and foreign currency expense for the 2011 period, compared to the 2010 period which primarily reflects the interest incurred on our line of credit with The Frost Group LLC (the “Frost Group”). On June 2, 2010, we repaid all amounts outstanding on the Frost Group line of credit including $12.0 million in principal and $4.1 million in interest. The Frost Group members include a trust controlled by Dr. Frost, who is the Company’s Chief Executive Officer and Chairman of the Board of Directors, Dr. Jane H. Hsiao, who is the Vice Chairman of the Board of Directors and Chief Technical Officer, Steven D. Rubin who is Executive Vice President – Administration and a director of the Company and Rao Uppaluri who is the Chief Financial Officer of the Company.

Income taxes. Our income tax provision reflects the income tax payable in Chile and Mexico. We have recorded a full valuation allowance against our deferred tax assets in the U.S.

Discontinued operations. Loss from discontinued operations was $2.8 million for the nine months ended September 30, 2011 compared to $4.5 million for the nine months ended September 30, 2010. Loss from discontinued operations decreased during the 2011 period from the 2010 period as a result of decreased selling, general and administrative expenses, including a settlement with one of our international distributors as well as decreased amortization expense related to intangibles that were fully amortized in November 2010.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2011, we had cash, cash equivalents and marketable securities of approximately $87.4 million. Cash used in operations during 2011 primarily reflects expenses related to research and development activities,

selling, general and administrative activities related to our corporate operations, as well as our operations in Chile and Mexico. Since our inception, we have not generated sufficient gross margins to offset our operating and other expenses and our primary source of cash has been from the sale of our stock and credit facilities available to us.

On November 3, 2011, our Board of Directors declared a cash dividend to all Series D Preferred Stockholders as of November 3, 2011. The total cash dividend is expected to be approximately $4.7 million.

On October 13, 2011, we acquired Claros Diagnostics, Inc. ("Claros") pursuant to an agreement and plan of merger. We paid $10.0 million in cash, subject to certain set-offs and deductions, and $20.0 million in shares of our common stock (the "Stock Consideration"), based on the average closing sales price per share of our Common Stock as reported by the New York Stock Exchange for the ten trading days immediately preceding the closing date of the Merger, or $4.45 per share. Pursuant to the merger agreement, $5.0 million of the Stock Consideration is held in a separate escrow account to secure the indemnification obligations of Claros under the Claros Merger Agreement. In addition, the merger agreement provides for the payment of up to an additional $19.125 million in shares of our Common Stock upon and subject to the achievement of certain milestones.

On September 21, 2011, we entered into an agreement to sell our ophthalmic instrumentation business to OPTOS, Inc., a subsidiary of Optos plc, (collectively, "OPTOS"), a medical technology company engaged in the design, development, manufacture and marketing of devices to image the retina of the eye. At closing, which occurred on October 11, 2011, Optos acquired our worldwide activities for the development and commercialization of ophthalmic diagnostic imaging systems, and we received $17.5 million in cash. In addition, OPTOS will pay us up to $22.5 million in future royalties on future sales.

In August 2011, we made $2.0 million investment in Neovasc Inc. ("Neovasc") a medical technology company based in Vancouver, Canada, a Canadian publicly traded company. We received two million Neovasc common shares, and two-year warrants to purchase an additional one million shares for $1.25 a share. We also entered into an agreement with Neovasc to provide strategic advisory services to Neovasc as it continues to develop and commercialize its novel cardiac devices.

On June 20, 2011, we repurchased 2,398,740 shares of our Common Stock for an aggregate purchase price of $7.8 million through a privately negotiated transaction with an early investor in Acuity Pharmaceuticals, Inc., a predecessor company of ours.

On June 3, 2011, we redeemed all outstanding shares of our Series A Preferred Stock for an aggregate redemption price of $1.8 million, including accrued dividends.

On March 14, 2011, we issued 27,000,000 shares of our Common Stock in a public offering at a price of $3.75 per share. We also granted the underwriters a 30-day option to purchase up to an additional 4,050,000 shares of our Common Stock to cover overallotments, if any. On March 15, 2011, representatives for the underwriters provided us notice that the underwriters exercised a portion of their 4,050,000 share over-allotment option for 2,397,029 additional shares of our Common Stock. We received approximately $104.8 million, net, from the issuance of 29,397,029 shares of our Common Stock.

On January 31, 2011, we acquired all of the outstanding stock of CURNA in exchange for $10.0 million in cash, plus $0.6 million in liabilities, of which, $0.5 million was paid at closing. In addition to the cash consideration, we have agreed to pay to the CURNA sellers a portion of any consideration we receive in connection with certain license, partnership or collaboration agreements we may enter into with third parties in the future relating to the CURNA technology, including, license fees, upfront payments, royalties and milestone payments. As a result, we recorded $0.6 million, as contingent consideration for the future consideration. CURNA is engaged in the discovery of new drugs for the treatment of a wide variety of illnesses, including cancer, heart disease, metabolic disorders and a range of genetic anomalies.

We have outstanding lines of credit in the aggregate amount of $12.5 million with nine financial institutions in Chile, of which, approximately $3.5 million is unused. These lines of credit are used primarily as a source of working capital and for inventory purchases. The average interest rate on these lines of credit is approximately 7%. These lines of credit are short term and are generally due within three months. The highest balance at any time during the three months ended September 30, 2011, was $14.7 million. We intend to continue to enter into these lines of credit as needed. There is no assurance that this or other funding sources will be available to us on acceptable terms, or at all.

We currently have an unutilized $12.0 million line of credit with the Frost Group. The line of credit, which previously expired on January 11, 2011, was renewed on February 22, 2011 on substantially the same terms as those in effect at the time of expiration. We are obligated to pay interest upon maturity, capitalized quarterly, on

outstanding borrowings under the line of credit at an 11% annual rate, which is due March 31, 2012. The line of credit is collateralized by all of our U.S. based personal property except our intellectual property. As of September 30, 2011, there were no amounts outstanding under this line of credit.

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

We believe the cash, cash equivalents, and marketable securities on hand at September 30, 2011 and the amounts available to be borrowed under our lines of credit are sufficient to meet our anticipated cash requirements for operations and debt service beyond 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 research and development of our 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, 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 available cash on hand, payments from potential strategic research and development, licensing and/or marketing arrangements, public offerings, private placements, debt financing and revenues from future product sales, if any. There can be no assurance, however, that additional capital will be available in the future to us on acceptable terms, or at all.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

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

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

Allowance for doubtful accounts and revenue recognition. Generally, we recognize revenue from product sales when goods are shipped and title and risk of loss transfer to our customers. Certain of our products are sold directly to end-users and require that we deliver, install and train the staff at the end-users' facility. As a result, we do not recognize revenue until the product is delivered, installed and training has occurred. Return policies in certain international markets for our medical device products provide for stringent guidelines in accordance with the terms of contractual agreements with customers. Our estimates for sales returns are based upon the historical patterns of products returned matched against the sales from which they originated, and management's evaluation of specific factors that may increase the risk of product returns. We analyze accounts receivable and historical bad debt levels, customer credit worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts using the specific identification method. Our reported net loss is directly affected by management's estimate of the collectability of accounts receivable. The allowance for doubtful accounts recognized in our consolidated balance sheets at September 30, 2011 and December 31, 2010 was $0.3 million and $0.3 million, respectively.

Recent accounting pronouncements: In May 2011, the Financial Accounting Standards Board ("FASB") issued amended accounting guidance related to fair value measurements and disclosures with the purpose of converging the fair value measurement and disclosure guidance issued by the FASB and the International Accounting Standards Board. The guidance is effective for reporting periods beginning after December 15, 2011. The guidance includes amendments that clarify the intent of the application of existing fair value measurement requirements along with amendments that change a particular principle or requirement for fair value measurements and disclosures. We concluded that the new guidance will not have a material impact on our Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheet, or related disclosures.

In June 2011, the FASB issued amended accounting guidance related to presentation of comprehensive income. The standards update is intended to help financial statement users better understand the causes of an entity's change in financial position and results of operation. It is effective for reporting periods beginning after December 15, 2011. The amendments eliminate the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments require that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The guidance also requires that reclassification adjustments for items that are reclassified from other comprehensive income to net income be presented on the face of the financial statement where the components of net income and other comprehensive income are presented. Upon adoption, we will continue to present components of comprehensive income in our Consolidated Statements of Operations. These statements will include reclassification adjustments as required by the new guidance for all periods presented. Since this new guidance will affect disclosure requirements only, we have concluded that it will not have a material impact on our financial position or results of operations.

In September 2011, the FASB issued ASU to amend the guidance in the ASC related to *Intangibles – Goodwill and Other*. This amendment will provide us the option of performing a qualitative assessment before calculating the fair value of the reporting unit. If it is determined that the fair value of the reporting unit is more likely than not less than the carrying amount, on the basis of qualitative factors, the two-step impairment test would be required. The amendment is effective for annual and interim goodwill impairment tests performed for our 2012 fiscal year, with earlier adoption permitted. This ASU impacts the manner in which goodwill is assessed for impairment but does not change how goodwill is calculated or assigned to reporting units, nor does it revise the requirement to test goodwill annually for impairment. It also does not change the requirement to test goodwill for impairment between annual tests if there are indicators of impairment. This ASU has no effect on our financial condition, results of operations or cash flows.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of doing business, we are exposed to the risks associated with foreign currency exchange rates and changes in interest rates.

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

Our derivative activities, which consist of foreign exchange forward contracts, are initiated to hedge forecasted cash flows that are exposed to foreign currency risk. The foreign exchange forward contracts generally require us to exchange local currencies for foreign currencies based on pre-established exchange rates at the contracts' maturity dates. As exchange rates change, gains and losses on these contracts are generated based on the change in the exchange rates that are recognized in the consolidated statement of operations at maturity, and offset the impact of the change in exchange rates on the foreign currency cash flows that are hedged. If the counterparties to the

exchange contracts do not fulfill their obligations to deliver the contracted currencies, we could be at risk for currency related fluctuations. We enter into these contracts with counterparties that we believe to be creditworthy and we do not enter into any leveraged derivative transactions. We had $1.8 million in foreign exchange forward contracts outstanding at September 30, 2011, primarily to hedge Chilean-based operating cash flows against US dollars. If Chilean pesos were to strengthen in relation to the US dollar, our hedged foreign currency cash-flows expense would be offset by a loss on the derivative contracts, with a net effect of zero.

We do not engage in trading market risk sensitive instruments or purchasing hedging instruments or "other than trading" instruments that are likely to expose us to significant market risk, whether interest rate, foreign currency exchange, commodity price or equity price risk.

Interest Rate Risk – Our exposure to market risk relates to our cash and investments and to our borrowings. We maintain an investment portfolio of money market funds and treasury securities. The securities in our investment portfolio are not leveraged, and are, due to their very short-term nature, subject to minimal interest rate risk. We currently do not hedge interest rate exposure. Because of the short-term maturities of our investments, we do not believe that a change in market interest rates would have a significant negative impact on the value of our investment portfolio except for reduced income in a low interest rate environment. At September 30, 2011, we had cash, cash equivalents and marketable securities of $87.4 million. The weighted average interest rate related to our cash and cash equivalents for the three months ended September 30, 2011 was 0%. As of September 30, 2011, the principal value of our credit lines was $12.5 million, and have a weighted average interest rate of approximately 8% for the nine months then ended.

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 three months.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Securities and Exchange Commission ("SEC") Rule 13a-15(e) as of September 30, 2011. Based on that evaluation, the CEO and CFO have concluded that the Company's disclosure controls and procedures are effective to ensure that information the Company is required to disclose in reports that it files or submits under the Securities Exchange Act is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

Changes to the Company's Internal Control Over Financial Reporting

There have been no changes to the Company's internal control over financial reporting that occurred during the Company's third quarter of 2011 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are a party to 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.

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 for the year ended December 31, 2010.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. (Removed and Reserved)

Item 5. Other Information

None.

Item 6. Exhibits.

Exhibit 1.1[6]	Underwriting Agreement dated March 9, 2011, by and among OPKO Health, Inc., Jefferies & Company, Inc. and J.P. Morgan Securities LLC, as representatives for the underwriters named therein.
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 2.3[5]	Purchase Agreement, dated February 17, 2010, among Ignacio Levy García and José de Jesús Levy García, Inmobiliaria Chapalita, S.A. de C.V., Pharmacos Exakta, S.A. de C.V., OPKO Health, Inc., OPKO Health Mexicana S. de R.L. de C.V., and OPKO Manufacturing Facilities S. de R.L. de C.V.
Exhibit 2.4[7+]	Agreement and Plan of Merger, dated January 28, 2011, among CURNA Inc., KUR, LLC, OPKO Pharmaceuticals, LLC, OPKO CURNA, LLC, and certain individuals named therein.
Exhibit 2.5	Agreement and Plan of Merger, dated October 13, 2011, by and among OPKO Health, Inc., Claros Merger Subsidiary, LLC, Claros Diagnostics, Inc. and Ellen Baron, Marc Goldberg, and Michael Magliochetti on behalf of the Shareholder Representative Committee.
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+	Asset Purchase Agreement dated as of September 21, 2011, by and among Optos plc, Optos Inc., OPKO Health, Inc., OPKO Instrumentation, LLC, Ophthalmic Technologies, Inc., and OTI (UK) Limited.
Exhibit 31.1	Certification by Phillip Frost, Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2011.
Exhibit 31.2	Certification by Rao Uppaluri, Chief Financial Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2011.

Exhibit 32.1	Certification by Phillip Frost, Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2011.
Exhibit 32.2	Certification by Rao Uppaluri, Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2011.
Exhibit 101*	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Cash Flows, and (iv) Notes to Financial Statements, tagged as blocks of text.

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

* As provided in Rule 406T of Regulation S-T, this information is furnished herewith and not filed for purposes of sections 11 and 12 of the Securities Act of 1933, as amended, or section 18 of the Securities Exchange Act of 1934, as amended.

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

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

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

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

(5) Filed with the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 10, 2010 for the Company's three-month period ended March 31, 2010, and incorporated herein by reference.

(6) Filed with the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 10, 2011, and incorporated herein by reference.

(7) Filed with the Company's Quarterly Report on Form 10-Q/A filed with the Securities and Exchange Commission on July 5, 2011 for the Company's three-month period ended March 31, 2011, 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: November 9, 2011

OPKO Health, Inc.

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

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Exhibit Index

Exhibit Number	Description
Exhibit 2.5	Agreement and Plan of Merger, dated October 13, 2011, by and among OPKO Health, Inc., Claros Merger Subsidiary, LLC, Claros Diagnostics, Inc. and Ellen Baron, Marc Goldberg, and Michael Magliochetti on behalf of the Shareholder Representative Committee.
Exhibit 10.1+	Asset Purchase Agreement dated as of September 21, 2011, by and among Optos plc, Optos Inc., OPKO Health, Inc., OPKO Instrumentation, LLC, Ophthalmic Technologies, Inc., and OTI (UK) Limited.
Exhibit 31.1	Certification by Phillip Frost, Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2011.
Exhibit 31.2	Certification by Rao Uppaluri, Chief Financial Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2011.
Exhibit 32.1	Certification by Phillip Frost, Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2011.
Exhibit 32.2	Certification by Rao Uppaluri, Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2011.
Exhibit 101*	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Cash Flows, and (iv) Notes to Financial Statements, tagged as blocks of text.

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

* As provided in Rule 406T of Regulation S-T, this information is furnished herewith and not filed for purposes of sections 11 and 12 of the Securities Act of 1933, as amended, or section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 2.5

Execution Copy

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (the "Agreement") is entered into as of October 13, 2011 (the "Agreement Date"), by and among (i) Opko Health, Inc., a Delaware corporation (the "Buyer"), (ii) Claros Merger Subsidiary, LLC, a Delaware limited liability company (the "Merger Sub"), (iii) Claros Diagnostics, Inc., a Delaware corporation (the "Company"), and (iv) Ellen Baron, Marc Goldberg, and Michael Magliochetti, acting in each case in his or her capacity as a member of the Shareholder Representative Committee constituted pursuant to Section 3.12 below. Certain capitalized terms used herein shall have the meanings set forth in Article I of this Agreement.

RECITALS

A. The Company is engaged principally in the business of developing, manufacturing and selling medical diagnostic devices.

B. The parties desire to effect an acquisition of the Company by Buyer through a merger of the Company with and into Merger Sub on the terms and conditions specified herein.

C. The board of directors of the Company (the "Company Board") has approved and adopted this Agreement and the consummation of the transactions contemplated hereby, and will be submitting the execution and delivery of this Agreement and the performance of the transaction contemplated hereby to the holders of the shares of the capital stock of the Company (collectively, the "Shareholders"), for their approval and adoption by written consent in accordance with DGCL and the Certificate of Incorporation of the Company.

D. It is the intention of the parties that the Merger will qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that this Agreement constitutes a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the income tax regulations promulgated under the Code.

E. All of the Company's outstanding Series A Preferred Stock, $0.001 par value per share (the "Company Preferred Stock"), shall be converted into shares of the Company's Common Stock, $0.001 par value per share (the "Company Common Stock") contemporaneous with the closing of the Merger.

F. The Company Board has adopted a resolution providing for the acceleration of the vesting of all options to purchase Company Common Stock (the "Company Stock Options") outstanding under the Claros Diagnostics, Inc. 2006 Incentive Plan (the "Company Stock Plan"), and the termination of such Company Stock Options (to the extent unexercised) upon the closing of the Merger, and the holders of such Company Stock Options have elected to exercise such Company Stock Options for cash prior to the Closing.

NOW, THEREFORE, in consideration of the recitals and the respective mutual covenants, representations, warranties and agreements contained in this Agreement, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

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

"Affiliate" of a specified Person means a Person who directly or indirectly through one or more intermediaries, controls, 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.

"Business Day" means any day other than a Saturday or Sunday or any day on which banks in the city of Miami, Florida are required to close.

"Buyer Common Stock" means the common stock, par value $0.01 per share, of the Buyer.

"Closing Date" means the date on which the Closing occurs.

"Closing Date Cash Consideration" means an amount equal to $10,000,000 *minus* (1) the amount of all indebtedness for borrowed money owed by the Company as of immediately prior to the Closing (including any indebtedness pursuant to the Convertible Notes), as set forth on Schedule 1.1(a) to this Agreement (the "Indebtedness Amount"), *minus* (2) the amount of all accounts payable which are not current as of immediately prior to Closing, as set forth on Schedule 1.1(b) to this Agreement (the "Payables"), *minus* (3) the Transaction Costs, as set forth on Schedule 1.1(c) to this Agreement, and *plus* (4) the amount of cash held by the Company on the Closing Date which was received in satisfaction of the exercise price of Company Stock Options exercised as contemplated by Section 8.1.

"Closing Date Fully Diluted Company Common Stock" means all shares of Company Common Stock issued and outstanding immediately prior to the Effective Time, including, for the avoidance of doubt, all shares of Company Common Stock issued upon the exercise of outstanding Company Stock Options, all of which are being exercised prior to the Closing, or upon the conversion of the outstanding Company Preferred Stock prior to the Closing, in each case as contemplated by Section 8.1.

"Closing Date Stock Consideration" means shares of Buyer Common Stock with an aggregate market value of $20,000,000, based on the average closing sales price per share of Buyer Common Stock as reported by the NYSE for the ten trading days immediately preceding the Closing Date.

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

"Convertible Notes" means all of the Convertible Promissory Notes issued under the Note Purchase Agreement.

"Dissenting Shares" means shares of Company Common Stock that are outstanding immediately prior to the Effective Time of the Merger and which are held by shareholders who shall have not voted in favor of the Merger or consented thereto in writing and who shall have exercised dissenters' rights or rights of appraisal for such shares of Company Common Stock in accordance with the DGCL and who, as of the Effective Time, have not effectively withdrawn or lost such dissenters' rights.

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

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

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

"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.

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

"Indemnity Escrow Stock Consideration" means the shares of Buyer Common Stock deposited into escrow with the Escrow Agent pursuant to Section 2.8(a).

"Intellectual Property" means any or all of the following: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof; (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, 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 business information (including databases, ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); (e) all computer programs and software (including data and source and object codes and related documentation); (f) all other property rights and all licenses and sublicenses granted by or to the Company that relate to any of the foregoing; and (g) all copies and tangible embodiments thereof (in whatever form or medium).

"Investor Rights Agreement" means the Investor Rights Agreement, dated as of December 21, 2006, by and among the Company and the Purchasers listed therein, as amended by Amendment No. 1 to Investors Rights Agreement, dated as of March 18, 2009.

"Knowledge" means, (a) with respect to any representation or warranty or other statement in this Agreement qualified by the knowledge of the Company, the actual knowledge of each director or officer of the Company, and (b) with respect to any representation or warranty or other statement in this Agreement qualified by the knowledge of any other Person, the actual knowledge of such Person (if a natural person) or of the officer, partner or manager, or a differently titled person with similar responsibilities, of the Person responsible for such information, in the case of each of clause (a) and clause (b) of this definition, following direct inquiry of the employee of the Company (or such other Person) who is principally responsible for the matters that are the subject of such representation, warranty or other statement.

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

"Liabilities" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due), any and all actions, suits, proceedings, demands, liabilities, damages, claims, deficiencies, fines, penalties, interest, assessments, judgments, losses, Taxes, costs and expenses, including, without limitation, reasonable fees and disbursements of counsel and experts.

"Liens" means any liens, claims, charges, rights, pledges, security interests, mortgages, options, title defects or other encumbrances, restrictions or limitations of any nature whatsoever; provided, however, that the term "Liens" shall not include (i) liens for Taxes, the payment of which is not delinquent or which are being contested by appropriate proceedings with adequate reserves set aside for such Taxes on the books of the Company, (ii) materialmen's, warehousemen's, mechanic's or other liens arising by operation of law in the ordinary course of business for sums not due and which do not materially detract from the value of such assets or properties or materially impair the operation of the business of the Company, and (iii) statutory liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits.

"Material Adverse Effect" means, with respect to any Person, any change in or effect on the business of that Person that is, or could reasonably be expected to be, materially adverse to the business, assets (including intangible assets), liabilities (contingent or otherwise), condition (financial or otherwise), or results of operations of such Person and its subsidiaries, taken as a whole.

"Merger Consideration" means the sum of (a) the Closing Date Stock Consideration, (b) the Closing Date Cash Consideration, and (c) the milestone payments to be paid pursuant to Section 2.9.

"Note Purchase Agreement" means the Note Purchase Agreement, dated as of June 21, 2010, by and among the Company and the Investors listed therein.

"NYSE" means the New York Stock Exchange, Inc.

"Organizational Documents" means any and all documents pursuant to which an entity is organized and/or operates under the applicable laws of its jurisdiction, including, without limitation, the certificate or articles of incorporation and bylaws of a corporation and any similar documents of any limited liability company, limited partnership or other entity.

"Per Share Closing Date Common Stock Payment" means (A) an amount in cash equal to the quotient of (1) the Closing Date Cash Consideration *divided* by (2) the Closing Date Fully Diluted Company Common Stock, *plus* (B) such number of shares of Buyer Common Stock equal to the quotient of (1) the Closing Date Stock Consideration, *divided* by (2) the Closing Date Fully Diluted Company Common Stock.

"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.

"ROFR Agreement" means the Right of First Refusal and Co-Sale Agreement, dated as of December 21, 2006, by and among the Company, the Purchasers listed therein and the Common Stockholders listed therein, as amended by Amendment No. 1 to Right of First Refusal and Co-Sale Agreement, dated as of March 18, 2009.

"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.

"Straddle Period" means any taxable period beginning before or on and ending after the Closing Date.

"Tax" means any federal, state, local or foreign 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, in each case whether disputed or undisputed.

"Transaction Costs" means the respective amounts of all unpaid third party fees, costs or expenses incurred or expected to be incurred by the Company (or for which the Company will be responsible) in connection with the preparation, negotiation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (including any fees and expenses of legal counsel and financial advisors), whether or not invoiced or billed prior to the Effective Time.

"Transaction Documents" means this Agreement, the Escrow Agreement, the Employment Agreements and all other documents to be executed and delivered by either party pursuant to or in connection with this Agreement and the consummation of the transactions contemplated hereby.

"Voting Agreement" means the Stockholder's Voting Agreement, dated as of December 21, 2006, by and among the Company, the Purchasers listed therein and the Founders listed therein, as amended by Amendment No. 1 to Stockholders' Voting Agreement, dated as of March 18, 2009.

ARTICLE II
THE MERGER; CONSIDERATION

Section 2.1. The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the "DGCL") and the Delaware Limited Liability Company Act (the "DLLCA"), the Company shall be merged with and into Merger Sub (the "Merger") at the Effective Time (as defined below). Following the Merger, the separate corporate existence of the Company shall cease and Merger Sub shall continue as the surviving company (the "Surviving Company").

Section 2.2. Closing. Upon the terms and subject to the conditions set forth in this Agreement, the closing of the Merger (the "Closing") will take place immediately following the execution of this Agreement, at the offices of Greenberg Traurig, P.A., 333 Avenue of the Americas (333 SE 2nd Avenue), Suite 4400, Miami, Florida 33131.

Section 2.3. Effective Time. At the Closing, the Company shall (a) file a certificate of merger (the "Certificate of Merger") in such form as is required by, and executed and acknowledged in accordance with, the relevant provisions of the DGCL and the DLLCA and (b) make all other filings or recordings required under the DGCL and the DLLCA in connection with the Merger. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Delaware Secretary of State (the "Effective Time").

Section 2.4. Effects of the Merger. At and after the Effective Time, the Merger will have the effects set forth herein and in the DGCL and the DLLCA. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all the property, rights, privileges, immunities, powers, and franchises of the Company and Merger Sub shall be vested in the Surviving Company, and all debts, liabilities, and duties of the Company and Merger Sub shall become the debts, liabilities, and duties of the Surviving Company.

Section 2.5. Certificate of Formation. The certificate of formation of the Merger Sub as in effect immediately prior to the Effective Time shall be the certificate of formation of the Surviving Company at and from the Effective Time and until thereafter amended in accordance with its terms and as provided by applicable Law.

Section 2.6. Limited Liability Company Operating Agreement. The limited liability company operating agreement of the Merger Sub as in effect immediately prior to the Effective Time shall be the limited liability company operating agreement of the Surviving Company at and from the Effective Time and until thereafter amended in accordance with its terms and as provided by applicable Law.

Section 2.7. Officers and Managers. The manager(s) of Merger Sub immediately prior to the Effective Time shall be the manager(s) of the Surviving Company at and from the Effective and until their successors are duly elected and qualified in accordance with applicable Law. The officers of the Company immediately prior to the Effective Time shall be the officers of the Surviving Company at and from the Effective and until their successors are duly appointed and qualified in accordance with applicable Law.

Section 2.8. Conversion of the Capital Stock of the Company; Merger Consideration.

(a) At the Effective Time, by virtue of the Merger and without any action on the part of Buyer, Merger Sub, the Company or any of their respective shareholders, each share of Closing Date Fully Diluted Company Common Stock shall be canceled and converted automatically into the right to receive (i) at Closing, the Per Share Closing Date Common Stock Payment, and (ii) subject to, and upon achievement of, the respective Milestones set forth in Section 2.9, the Milestone Payments described in Section 2.9. Notwithstanding the foregoing, a portion of the Closing Date Stock Consideration issuable to each holder of Closing Date Fully Diluted Company Common Stock equal to twenty-five percent (25%) of the aggregate Closing Date Stock Consideration allocable to such holder of Closing Date Fully Diluted Company Common Stock shall not be issued to such holder but shall be deposited into escrow with the Escrow Agent, to be held and distributed as provided in the Escrow Agreement. The payments described in this Section 2.8 (including the Milestone Payments) shall be allocated among, and paid to, the Shareholders in accordance with the allocations set forth on Schedule 2.8 to this Agreement.

(b) On the Closing Date, the Buyer shall discharge the Indebtedness Amount and the Transaction Costs. Following the Closing Date, the Buyer shall discharge the Payables.

(c) As a result of the Merger and without any action on the part of the holders thereof, at the Effective Time, all outstanding shares of the Closing Date Fully Diluted Company Common Stock shall cease to be outstanding and shall be canceled and retired and shall cease to exist, and each holder of a certificate or certificates which immediately prior to the Effective Time represented any such shares of the Closing Date Fully Diluted Company Common Stock ("Certificates") shall thereafter cease to have any rights with respect to such shares of the Closing Date Fully Diluted Company Common Stock, except as provided herein or by Law.

Section 2.9. Milestone Payments.

(a) In addition to the consideration described in Section 2.8, the Buyer shall make milestone payments (the "Milestone Payments") to the Shareholders and all other holders of the Closing Date Fully Diluted Company Common Stock exchanged pursuant to the Merger in the amounts listed on Schedule 1 to this Agreement, in each case subject to, and within (20) days following the Company's achievement of, the milestones (the "Milestones") set opposite each such amount on Schedule 1. Any amounts payable pursuant to this Section 2.9 shall be payable solely in shares of Buyer Common Stock in an amount equal to the quotient of (a) the amount of such payment, divided by (b) the average closing sale price per share of Buyer Common Stock for the ten trading days immediately preceding the date on which the applicable Milestone was achieved. Such shares will be allocated among, and distributed to, the holders of the Closing Date Fully Diluted Company Common Stock on a pro rata basis based on their respective ownership of the Closing Date Fully Diluted Company Common Stock.

(b) The Buyer agrees, for the benefit of the holders of the Closing Date Fully Diluted Company Common Stock that, until such time as all of the Milestones have been achieved, and all of the Milestone Payments have been made, (i) the Buyer and the Company shall use commercially reasonable efforts, in good faith, to cause all of the Milestones to be achieved and (ii) the Company and the Buyer shall not take any actions (or omit to take any actions) which are intended to frustrate or prevent, or could reasonably be expected to frustrate or prevent, the achievement of any of the Milestones. For purposes of the foregoing clause (i) in this Section 2.9(b), "commercially reasonable efforts" shall mean the efforts and resources normally used by a party engaged in the medical device industry in connection with the development and commercialization in the European Union and the United States as is typically expended for a medical diagnostic device with a similar market potential and at a similar stage in its development or commercialization, taking into account the competitiveness of the marketplace, the party's proprietary position with respect to such product, applicable regulatory circumstances, the potential or actual profitability of such product, and all other relevant factors. Notwithstanding the foregoing, any actions taken by any of Michael Magliochetti, David Steinmiller and Vincent Linder shall not be deemed to be a violation of clause (ii) above unless such actions were taken with the approval of the Buyer or any of its executive officers (including any officers of the Buyer to whom such individuals report).

(c) On or prior to the sixtieth (60th) day following the last day of each calendar quarter after the first sale of any Milestone Product, or any other product using the Company IP, Buyer shall deliver to the Shareholder Representative Committee a report (a "Quarterly Report") setting forth the World-wide Net Revenues (as defined in Schedule 1) for such calendar quarter.

(d) Audit Rights. Buyer hereby grants the Shareholder Representative Committee and its representatives the right, exercisable not more than once in any calendar year, and subject to the execution of, and compliance with, Buyer's standard form of confidentiality agreement, to appoint an independent accounting firm, which shall be either a "big-four" accounting firm (i.e.,

Pricewaterhouse Coopers, Deloitte Touche Tohmatsu, Ernst & Young or KPMG) or any other independent accounting firm reasonably acceptable to Buyer (the "Audit Accountants"), to examine Buyer's books of account and records of World-wide Net Revenues, on prior written notice of at least twenty (20) calendar days (the "Audit Notice"), for the purpose of verifying the amount of World-wide Net Revenues (each, a "Milestone Payment Audit"). The Audit Accountants shall have access to such books and records for a thirty (30) calendar day period commencing on the date on which access to such books and records is made available to the Audit Accountants.

ARTICLE III
EXCHANGE OF COMPANY COMMON STOCK

Section 3.1. Exchange Agent. Prior to the Effective Time, the Buyer shall appoint a commercial bank, a trust company or its transfer agent to act as exchange agent hereunder for the purpose of exchanging Certificates for the Merger Consideration (the "Exchange Agent"). At or prior to the Effective Time, the Buyer shall or shall cause its transfer agent to deposit with the Exchange Agent (unless the Exchange Agent is also the Buyer's transfer agent, in which case the Exchange Agent will deposit the shares at the instruction of the Buyer), in trust for the benefit of holders of shares of the Closing Date Fully Diluted Company Common Stock, shares (which shall be in uncertificated book-entry form unless a physical certificate is requested) representing the Buyer Common Stock issuable in respect of the Closing Date Stock Consideration payable, and cash in U.S. dollars in an amount sufficient to pay the Closing Date Cash Consideration payable, pursuant to Section 2.8 in exchange for outstanding shares of Closing Date Fully Diluted Company Common Stock. Any cash and shares of Buyer Common Stock deposited with the Exchange Agent shall hereinafter be referred to as the "Exchange Fund."

Section 3.2. Exchange Procedures.

(a) Promptly after the Effective Time, and in any event not later than the fifth (5th) Business Day following the Effective Time, the Surviving Company shall cause the Exchange Agent to mail to each holder of record of a Certificate (i) a letter of transmittal, in the form of Exhibit A attached hereto, which shall specify that delivery shall be effected, and risk of loss and title to the Certificate shall pass, only upon proper delivery of the Certificate to the Exchange Agent, and (ii) instructions for effecting the surrender of such Certificate (or an effective affidavit of loss in lieu thereof) in exchange for the applicable Merger Consideration. Upon surrender of a Certificate to the Exchange Agent together with such letter of transmittal, duly executed and completed in accordance with the instructions thereto, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Certificate shall be entitled to receive in exchange therefor, (A) one or more shares of the Buyer Common Stock (which shall be in uncertificated book-entry form unless a physical certificate is requested) representing, in the aggregate, the whole number of shares that such holder has the right to receive in respect of the Closing Date Stock Consideration payable pursuant to Section 2.8 (after taking into account all shares of Closing Date Fully Diluted Company Common Stock then held by such holder) and (B) cash in the amount equal to the Closing Date Cash Consideration that such holder has the right to receive pursuant to Section 2.8 (in each case, after taking into account all shares of Closing Date Fully Diluted Company Common Stock then held by such holder).

(b) No interest will be paid or will accrue on any cash payable pursuant to Section 2.8.

(c) In the event of a transfer of ownership of a Certificate representing any shares of Closing Date Fully Diluted Company Common Stock, which transfer is not registered in the stock transfer records of the Company, the Merger Consideration shall be issued or paid in exchange therefor to a person other than the person in whose name the Certificate so surrendered is registered if the Certificate formerly representing such shares of Closing Date Fully Diluted Company Common Stock shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such payment or issuance shall pay any transfer or other similar Taxes required by reason of the payment or issuance to a person other than the registered holder of the Certificate or establish to the satisfaction of the Buyer that such transfer or similar Tax has been paid or is not applicable.

Section 3.3. No Further Ownership Rights. All shares of Buyer Common Stock issued and cash paid upon conversion of shares of Closing Date Fully Diluted Company Common Stock in accordance with the terms of Article II and this Article III (including any cash paid pursuant to Section 2.8) shall be deemed to have been issued or paid in full satisfaction of all ownership rights pertaining to the shares of the Closing Date Fully Diluted Company Common Stock.

Section 3.4. No Fractional Shares of the Buyer Common Stock. No certificates or scrip or shares of the Buyer Common Stock representing fractional shares of the Buyer Common Stock or book-entry credit of the same shall be issued upon the surrender for exchange of Certificates and such fractional share interests will not entitle the owner thereof to vote or to have any rights of a shareholder of the Buyer or a holder of shares of the Buyer Common Stock. Instead, the number of shares of Buyer Common Stock to be issued to each holder of shares of Closing Date Fully Diluted Company Common Stock exchanged pursuant to the Merger shall have the aggregate number of shares of Buyer Common Stock to be issued to such holder to be rounded down to the nearest whole share.

Section 3.5. Termination of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to the holders of shares of the Closing Date Fully Diluted Company Common Stock for twelve (12) months after the Effective Time shall be delivered to the Buyer or otherwise on the instruction of the Buyer, and any holders of shares of the Closing Date Fully Diluted Company Common Stock who have not theretofore complied with this Article III shall thereafter look only to the Buyer for, and the Buyer shall remain liable for, the Merger Consideration, to which such holders are entitled pursuant to Section 2.8 and Section 3.2 Any such portion of the Exchange Fund remaining unclaimed by holders of shares of the Closing Date Fully Diluted Company Common Stock five (5) years after the Effective Time (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any Governmental Entity) shall, to the extent permitted by Law, become the property of the Surviving Company free and clear of any claims or interest of any Person previously entitled thereto.

Section 3.6. No Liability. None of the Buyer, Merger Sub, the Company, the Surviving Company, or the Exchange Agent shall be liable to any Person in respect of any Merger Consideration from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat, or similar Law.

Section 3.7. Investment of the Exchange Fund. The Exchange Agent shall invest any cash included in the Exchange Fund as directed by the Buyer on a daily basis in (i) short term direct obligations of the United States of America with maturities of no more than 30 days, (ii) short term obligations for which the full faith and credit of the United States of America is pledged to provide for payment of all principal and interest, or (iii) commercial paper obligations receiving the highest rating from either Moody's Investor Services, Inc. or Standard & Poor's; provided, that no gain or loss thereon shall affect the amounts payable to the Company shareholders pursuant to Article II and the other provisions of this Article III. If for any reason (including losses) the cash in the Exchange Fund shall be insufficient to fully satisfy all of the payment obligations to be made in cash by the Exchange Agent hereunder, the Buyer shall promptly deposit cash into the Exchange Fund in an amount which is equal to the deficiency in the amount of cash required to fully satisfy such cash payment obligations. Any interest and other income resulting from such investments shall promptly be paid to the Buyer.

Section 3.8. Lost Certificates. If any Certificate shall have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen, or destroyed, the Exchange Agent will deliver in exchange for such lost, stolen, or destroyed Certificate the applicable Merger Consideration with respect to the shares of Closing Date Fully Diluted Company Common Stock formerly represented thereby.

Section 3.9. Further Assurances. After the Effective Time, the officers and directors of the Surviving Company will be authorized to execute and deliver, in the name and on behalf of the Company or Merger Sub, any deeds, bills of sale, assignments, or assurances and to take and do, in the name and on behalf of the Company or Merger Sub, any other actions and things to vest, perfect, or confirm of record or otherwise in the Surviving Company any and all right, title, and interest in, to, and under any of the rights, properties, or assets acquired or to be acquired by the Surviving Company as a result of, or in connection with, the Merger.

Section 3.10. Stock Transfer Books. The stock transfer books of the Company shall be closed at the close of business on the day on which the Effective Time occurs and there shall be no further registration of transfers of shares of the Company Common Stock and Company Preferred Stock thereafter on the records of the Company. On or after the Effective Time, any Certificates presented to the Exchange Agent or the Buyer for any reason shall be converted into the Merger Consideration with respect to the shares of Closing Date Fully Diluted Company Common Stock formerly represented thereby.

Section 3.11. Dissenting Shares. Notwithstanding any provision of this Agreement to the contrary, Dissenting Shares shall not be converted into or represent the right to receive any portion of the amounts to be paid pursuant to Section 2.8, but the holders thereof shall only be entitled to such rights as are granted by the DGCL. All Dissenting Shares held by shareholders who shall have failed to perfect or who effectively shall have withdrawn

or lost their dissenters' rights shall thereupon be deemed to have been converted into and to have become exchangeable for, as of the later of the Effective Time or the occurrence of such event, the right to receive an appropriate portion of the amounts to be paid pursuant to Section 2.8(a), without any interest thereon, upon surrender, in the manner provided in Section 3.2, of the Certificates that formerly evidenced such shares.

Section 3.12. Shareholder Representative Committee.

(a) Appointment of Shareholder Representative Committee. Each of Ellen Baron, Marc Goldberg and Michael Magliochetti are hereby appointed, effective from and after the date of the Shareholder Approval, to act, collectively as the Shareholder Representative Committee under this Agreement in accordance with the terms of this Section 3.12 and the Escrow Agreement. The members of the Shareholder Representative Committee shall be entitled to designate (and notify Buyer of such designation) a single member of the Shareholder Representative Committee upon whose instruction Buyer and the Surviving Company shall be entitled to rely, without any investigation or inquiry, as having been taken or not taken upon the authority of the Shareholder Representative Committee. In the event that one (1) or two (2) members of the Shareholder Representative Committee cease to be members as a result of death, resignation, incapacity or removal, then the remaining member(s) of the Shareholder Representative Committee shall appoint the successor member(s) as soon as practicable.

(b) Authority After the Effective Time. From and after the Effective Time, the Shareholder Representative Committee shall be authorized, on behalf of the Shareholders, to:

(i) take all actions required or permitted by, and exercise all rights granted to, the Shareholder Representative Committee in this Agreement or the Escrow Agreement;

(ii) receive all notices or other documents given or to be given to the Shareholder Representative Committee by Buyer pursuant to this Agreement or the Escrow Agreement;

(iii) receive and accept service of legal process in connection with any claim or other proceeding against the Shareholders arising under this Agreement or the Escrow Agreement;

(iv) negotiate, undertake, compromise, defend, resolve and settle any suit, proceeding or dispute under this Agreement or the Escrow Agreement on behalf of the Shareholders;

(v) execute and deliver all agreements, certificates and documents required or deemed appropriate by the Shareholder Representative Committee in connection with any of the transactions contemplated by this Agreement (including executing and delivering the Escrow Agreement);

(vi) engage special counsel, accountants and other advisors and incur such other expenses in connection with any of the transactions contemplated by this Agreement or the Escrow Agreement;

(vii) approve of and execute amendments to this Agreement in accordance with Section 9.7; and

(c) Release from Liability; Indemnification; Authority of Shareholder Representative Committee. By virtue of the adoption of this Agreement and the approval of the merger by the Shareholders, each Shareholder shall be deemed to hereby release the Shareholder Representative Committee, and each of its members, from, and each Shareholder, by virtue of such adoption and approval, shall further be deemed to agree to indemnify the Shareholder Representative Committee, and each of its members, against, liability for any action taken or not taken by him, her or it in his, her or its capacity as such agent, except for the liability of the Shareholder Representative Committee, or any member thereof, to a Shareholder for loss which such holder may suffer from the willful misconduct or gross negligence of the Shareholder Representative Committee or such member in carrying out his, her or its duties hereunder. By virtue of the adoption of this Agreement and the approval of the Merger by the Shareholders, each Shareholder (regardless of whether or not such Shareholder votes in favor of the adoption of the Agreement and the approval of the Merger, whether at a meeting or by written consent in lieu thereof) shall be deemed to appoint, as of the Agreement Date, the Shareholder Representative Committee as his, her or its true and lawful agent and attorney-in-fact to enter into any agreement in connection with the transactions contemplated by this Agreement, to exercise all or any of the powers, authority and discretion conferred on him, her or it under any such agreement, to give and receive notices on their behalf and to be his, her or its exclusive representative with respect to any matter, suit, claim, action or proceeding arising with respect to any transaction contemplated by any such agreement, including, without limitation, the defense, settlement or compromise of any claim, action or proceeding for which Buyer or the Surviving Company may be entitled to indemnification and, by virtue of its approval of the Agreement, the Shareholder Representative Committee agrees to act as, and to undertake the duties and responsibilities of, such agent and attorney-in-fact. This power of attorney is coupled with an interest and is irrevocable. All actions, decisions and instructions of the Shareholder Representative Committee shall be conclusive and binding upon all of the Shareholders.

ARTICLE IV
INDEMNITY ESCROW

Section 4.1. Escrow Agent; Escrow Agreement. To provide for an escrow account to secure and to serve as a fund in respect of the indemnification obligations of the Company under this Agreement, at the Closing, the Buyer, the Shareholder Representative Committee and the Exchange Agent, acting in its capacity as Escrow Agent (the "Escrow Agent"), shall enter into an Escrow Agreement, substantially in the form of Exhibit B to this Agreement (the "Escrow Agreement").

Section 4.2. Escrow Account. At the Closing, the Buyer shall deposit the Indemnity Escrow Stock Consideration with the Escrow Agent to be held in an account or accounts

(collectively, the "Escrow Account") pursuant to the terms of the Escrow Agreement. No certificates or scrip or shares of the Buyer Common Stock representing fractional shares of the Buyer Common Stock or book-entry credit of the same shall be issued as part of the Indemnity Escrow Stock Consideration.

Section 4.3. Release of Indemnity Escrow Stock Consideration. Except with respect to amounts that have been previously paid or shares that have been distributed from the Escrow Account to Buyer pursuant to the Escrow Agreement, and except with respect to pending indemnity claims made in accordance with Section 7.3 of this Agreement on or before the twelve (12) month anniversary of the Closing Date (the "Escrow Period"), all shares of Buyer Common Stock and other amounts in the Escrow Account shall be distributed to the Shareholders in accordance with the Escrow Agreement on the first Business Day after the expiration of the Escrow Period; provided that with respect to any pending claim, promptly following resolution of such pending claim, the amount, if any, of such pending claim which has not been paid, which is not payable to any Buyer Indemnified Person pursuant to Section 7.3 of this Agreement in connection with such resolution, and which is not required to remain in the Escrow Account to satisfy other pending claims, shall be paid to the Shareholders.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER AND MERGER SUB

In order to induce the Company to enter into this Agreement and the other Transaction Documents (to the extent a party thereto), and to consummate the transactions contemplated hereby and thereby, the Buyer and Merger Sub hereby jointly and severally represent and warrant to the Company as follows:

Section 5.1. Organization. Each of Buyer and Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware and has all requisite corporate or similar power and authority to own, lease, and operate its properties and assets and to carry on its business as presently conducted. Each of Buyer and Merger Sub is duly qualified or licensed to do business, and is in good standing (with respect to jurisdictions that recognize the concept of good standing) as a foreign corporation in each jurisdiction where the ownership, leasing, or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified, or in good standing or to have such power or authority when taken together with all other such failures, has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.2. Authorization; Enforceability. Each of Buyer and Merger Sub has all requisite corporate power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the other Transaction Documents to which it is a party by Buyer and Merger Sub, and the consummation by Buyer and Merger Sub of the transactions contemplated hereby and thereby, have been duly authorized by all requisite corporate or other action. This Agreement and the other Transaction Documents have been duly executed and delivered by Buyer and Merger Sub (to the extent a party thereto),

and constitute the legal, valid and binding obligation of Buyer and Merger Sub (to the extent a party thereto), enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 5.3. No Violation or Conflict. The execution and delivery of the this Agreement and the other Transaction Documents (to the extent a party thereto) by Buyer and Merger Sub, the consummation by Buyer and Merger Sub of the transactions contemplated hereby and thereby, and compliance by the Buyer and Merger Sub with the provisions hereof and thereof: (a) do not and will not violate or, if applicable, conflict with any provision of Law, or any provision of Buyer's or Merger Sub's Organizational Documents; and (b) do not and will not, with or without the passage of time or the giving of notice, result in the breach of, or constitute a default, cause the acceleration of performance or require any consent under, any material Contract (as defined in Item 601 of Regulation S-K under the Exchange Act) to which Buyer or Merger Sub is a party or by which Buyer or Merger Sub or their properties may be bound or affected.

Section 5.4. Validity of Shares. When issued and delivered in accordance with this Agreement, the Buyer Common Stock to be delivered under this Agreement shall be duly authorized, validly issued, fully paid, non-assessable and free of any preemptive rights.

Section 5.5. Capitalization. The authorized capital stock of Buyer consists of (a) 500,000,000 shares of Buyer Common Stock, of which 287,946,324 shares were issued and outstanding as of June 30, 2011 and (b) 10,000,000 shares of preferred stock, $0.01 par value per share (the "Buyer Preferred Stock"), including (i) 4,000,000 shares designated as Series A Convertible Preferred Stock, of which no shares were issued and outstanding as of June 30, 2011, (ii) 500,000 shares designated as Series C Convertible Preferred Stock, of which no shares were issued and outstanding as of June 30, 2011, and (iii) 2,000,000 shares designated as 8.0% Series D Cumulative Convertible Preferred Stock, of which 1,209,677 shares were issued and outstanding as of June 30, 2011. All issued and outstanding shares of the capital stock of Buyer are validly issued, fully paid, non-assessable and free of any preemptive rights. The authorized limited liability company membership interests of Merger Sub consists of 1,000 limited liability company membership interests, all of which are issued and outstanding and are held by Buyer as of the date of this Agreement. All issued and outstanding limited liability company membership interests of Merger Sub are validly issued, fully paid and free of any preemptive rights.

Section 5.6. SEC Reports. Buyer has filed with the SEC all periodic reports and other documents required to be filed by it under the Exchange Act including, and since the date of, its Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (collectively, the "Buyer SEC Reports"). As of their respective dates, the Buyer SEC Reports were prepared in accordance with the requirements of the Exchange Act and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 5.7. Brokers. Neither Buyer nor Merger Sub has employed any financial advisor, broker or finder and has not incurred and will not incur any broker's, finder's, investment banking or similar fees, commissions or expenses, in connection with the transactions contemplated by this Agreement, which would be payable by the Company or the Shareholders.

Section 5.8. Availability of Funds. Buyer will have, at Closing, sufficient immediately available funds, in cash, to pay the Per Share Closing Date Cash Consideration payable pursuant to Section 2.8(a) and the Indebtedness Amount and all transaction expenses associated with the transactions contemplated by this Agreement and to provide sufficient liquidity to operate the business of the Company after the Closing.

Section 5.9. Reorganization Matters.

(a) Merger Sub is an entity newly formed for the purpose of participating in the Merger, and at no time prior to the Effective Time has had assets (other than nominal assets contributed upon the formation of the Merger Sub, which assets will be held by the Surviving Company following the Merger) or business operations.

(b) Merger Sub has been treated as an entity disregarded as separate from Buyer for all federal income tax purposes (a "disregarded entity") at all times since its formation and will be treated as a disregarded entity at the time of the Merger. Immediately following the Effective Time, the Surviving Company will be an entity wholly owned directly by Buyer and will be a disregarded entity. Other than (i) a possible liquidation or merger of the Surviving Company into Buyer, (ii) a possible merger of the Surviving Company into an entity that is a member of Buyer's qualified group of corporations (as defined by Treasury Regulations Section 1.368-1(d)(4)(ii)) ("qualified group"), or (iii) a possible contribution of the membership interests of the Surviving Company held by Buyer to an entity that is a member of Buyer's qualified group, Buyer has no plan or intention to take any action or to cause or allow the Surviving Company to take any action, after the Effective Time, that would result in the Surviving Company ceasing to be an entity wholly owned by Buyer that is a disregarded entity.

(c) Except with respect to (i) open-market purchases of Buyer's stock pursuant to a general stock repurchase program of Buyer that has not been created or modified in connection with the Merger and (ii) repurchases in the ordinary course of business of unvested shares, if any, acquired from terminated employees, neither Buyer nor any Person related to Buyer within the meaning of Treasury Regulations Sections 1.368-1(e)(3), (e)(4) and (e)(5) has any plan or intention to repurchase, redeem or otherwise acquire any Buyer Common Stock issued to the Shareholders pursuant to this Agreement following the Merger. Other than pursuant to this Agreement, neither Buyer nor any Person related to Buyer within the meaning of Treasury Regulations Sections 1.368-1(e)(3), (e)(4) and (e)(5) has acquired any shares of the capital stock of the Company in contemplation of the Merger, or otherwise as part of a plan of which the Merger is a part.

(d) Following the Merger, Buyer, or a member of its qualified group, will cause the Surviving Company to continue the historic business of the Company (or, alternatively, if the Company has more than one line of business, will cause the Surviving Company to

continue at least one significant line of the Company's historic business) or use a significant portion of the Company's historic business assets in a business, in a manner consistent with Treasury Regulations Section 1.368-1(d). For purposes of this representation, Buyer will be deemed to satisfy the foregoing representation if (a) the members of Buyer's qualified group, in the aggregate, continue the historic business of the Company or use a significant portion of the Company's historic business assets in a business or (b) the foregoing activities are undertaken by a partnership as contemplated by Treasury Regulations Section 1.368-1(d)(4). For the avoidance of doubt, the foregoing representation shall be subject to any provision of this Agreement to the extent such provision imposes a higher standard on the Buyer or the Company following the Merger with respect to the same subject matter (including, without limitation, Section 2.9(b) hereof).

(e) Neither Buyer nor any of its subsidiaries has any plan or intention to sell or otherwise dispose of the assets of the Company except for dispositions made in the ordinary course of business or distributions, transfers and successive transfers permitted under Treasury Regulations Section 1.368-2(k)(1).

(f) Buyer is not an "investment company" within the meaning of Section 368(a)(2)(F)(iii) and (iv) of the Code.

(g) Except as specifically set forth in Section 9.10 of the Agreement, Buyer and the Merger Sub will pay their respective expenses, if any, incurred in connection with the Merger. In the Merger, no liabilities of the Shareholders will be assumed by Buyer or the Merger Sub, and neither Buyer nor the Merger Sub will assume any liens, encumbrances or any similar liabilities relating to any shares of the capital stock of the Company acquired by Buyer in the Merger.

(h) The fair market value of the assets of Buyer exceeds the amount of the liabilities of Buyer immediately following the Merger, as determined pursuant to proposed Treasury Regulations section 1.368-1(f)(2)(ii).

(i) There is no intercorporate indebtedness existing between the Company (or any other member of the Company's affiliated group, within the meaning of Section 1504 of the Code), on the one hand, and Buyer or the Merger Sub (or any other member of Buyer's affiliated group, within the meaning of Section 1504 of the Code), on the other hand, that was issued, acquired, or will be settled at a discount.

(j) After the Merger, no dividends or other distributions will be made to the former holders of shares of the capital stock of the Company by Buyer other than dividends or other distributions made to all holders of Buyer Common Stock in the ordinary course of business.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

In order to induce the Buyer and Merger Sub to enter into this Agreement and the other Transaction Documents, and to consummate the transactions contemplated hereby and thereby, the Company hereby represents and warrants to the Buyer and Merger Sub as follows, except as specifically contemplated by this Agreement; provided, that such representations and warranties shall be deemed to be qualified for purposes of this Agreement by the attached Disclosure Schedule of the Company (the "Company Disclosure Schedule"). Notwithstanding any other provision of this Agreement or such Company Disclosure Schedule, each exception set forth in the Company Disclosure Schedule will be deemed to qualify only each representation and warranty set forth in this Agreement that is specifically identified (by cross-reference or otherwise) in the Company Disclosure Schedule as being qualified by such exception, except that any information disclosed in the Company Disclosure Schedule under any specific section or part shall be deemed to relate to and qualify other representations and warranties set forth in Article VI to the extent that it is readily apparent on the face of such disclosure that such information also qualifies such other representation and warranty.

Section 6.1. Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware and has all requisite corporate or similar power and authority to own, lease, and operate its properties and assets and to carry on its business as presently conducted. The Company is duly qualified or licensed to do business, and is in good standing (with respect to jurisdictions that recognize the concept of good standing) as a foreign corporation in each jurisdiction where the ownership, leasing, or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified, or in good standing or to have such power or authority when taken together with all other such failures, has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 6.2. Authorization; Enforceability. The Company has all requisite corporate power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the other Transaction Documents to which it is a party by the Company and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate or other action as of the date hereof, other than sending notices to the Shareholders pertaining to the exercise of dissenters' rights under Delaware Law and except for the approval of this Agreement by the Shareholders. This Agreement and the other Transaction Documents to which the Company is a party have been duly executed and delivered by the Company, and constitute the legal, valid and binding obligation of the Company, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 6.3. No Violation or Conflict. The execution and delivery of this Agreement and the other Transaction Documents (to the extent a party thereto) by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, and compliance by the Company with the provisions hereof and thereof: (a) do not and will not violate or conflict with any provision of Law or any provision of the Company's Organizational Documents; and (b) do not and will not, with or without the passage of time or the giving of notice, result in the breach of, or constitute a default, cause the acceleration of performance or require any consent under, or result in the creation of any Lien upon any property or assets of the Company pursuant to any instrument or agreement to which the Company is a party or, to the Knowledge of the Company, by which the Company or its properties may be bound or affected.

Section 6.4. Organizational Documents and Corporate Records. The Company has delivered or caused to be delivered to Buyer true and complete copies of (a) the Organizational Documents of the Company, as amended, and (b) the minute books of the Company (the "Minute Books"). The 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.

Section 6.5. Capitalization. The authorized share capital of the Company is as set forth on Schedule 6.5. Schedule 6.5 sets forth all securities of the Company (including, without limitation, the Company Common Stock and the Convertible Notes) (the "Company Securities") which will be issued and outstanding as of the Effective Time and, except as set forth on Schedule 6.5, all of such Company Securities have been duly authorized and are validly issued, are fully paid and nonassessable (in the case of any Company Securities that are equity securities) and were issued in compliance with applicable state and federal securities laws. Except as set forth on Schedule 6.5, all outstanding Company Securities are owned of record (and to the Knowledge of the Company, beneficially) by the Shareholders and are free and clear of all Liens, preemptive rights, rights of first refusal, registration rights, limitations on the Shareholders' voting rights, voting agreements, shareholder agreements, charges or other encumbrances, transfer restrictions, or agreements of any nature whatsoever, in each case to which the Company is a party or of which it has Knowledge. The Company has no investment or equity interest in any other Person. Since inception, the Company has not had any investment or equity interest in any Person other than Claros Diagnostics SARL. Claros Diagnostics SARL was properly liquidated and dissolved in accordance with the laws of Switzerland, and there are no outstanding, pending, or to the Knowledge of the Company, threatened Liabilities relating to the formation, existence, operations, dissolution or liquidation of Claros Diagnostics SARL. None of the Company Securities were issued in violation of any preemptive rights or rights of first refusal, or other agreements or rights. No agreement or understanding with respect to the disposition of the Company Securities or any rights therein, other than this Agreement, exists to which the Company is a party, or of which it has Knowledge. Except as set forth on Schedule 6.5, the Company does not have and will not have any liability or obligation of any nature whatsoever to any former shareholder, and the consummation of the transactions contemplated by this Agreement will not trigger any preemptive rights, rights of first refusal, or similar obligations, or any obligation to provide notice to any shareholder.

Section 6.6. Rights, Warrants, Options. Except as set forth on Schedule 6.6, there are no stock options, warrants, stock appreciation, phantom stock or other rights, arrangements or commitments of any character to which the Company is a party or by which the Company is bound relating to the issued or unissued capital stock or equity interests of the Company or obligating the Company to issue or sell any shares of capital stock of, or other equity interests in, the Company. There are no outstanding obligations of the Company to redeem or otherwise acquire any of the Company Securities. 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. Except as set forth on Schedule 6.6, all Company Stock Options are incentive stock options within the meaning of Section 422 of the Code and, to the Knowledge of the Company, there has not been a disqualifying disposition of any shares of Company Securities issuable upon exercise of such Company Stock Options (as defined in Section 421(b) of the Code) which are incentive stock options at any time prior to (or, subject to the representations of the Buyer set forth in Section 5.9, at) the Effective Time. Schedule 6.6 sets forth the amount of cash held by the Company on the Closing Date which was received in satisfaction of the exercise price of Company Stock Options exercised as contemplated by Section 8.1.

Section 6.7. Financial Statements. The Company has delivered to Buyer true and complete copies of (a) (i) the audited consolidated balance sheet of the Company for the fiscal years ended December 31, 2010 and 2009, (ii) the audited consolidated statements of operations of the Company for the fiscal years ended December 31, 2010 and 2009 and the cumulative periods from October 27, 2004 through December 31, 2010 and 2009, and (iii) the consolidated statements of equity and comprehensive income of the Company for the fiscal years ended December 31, 2010 and 2009 and the cumulative periods from October 27, 2004 through December 31, 2010 and 2009, including in the case of (i), (ii) and (iii) any related notes and the consolidated supplement, certified by the Company's independent certified public accountants pursuant to their audits of the financial records of the Company, and (b) (i) the unaudited balance sheet of the Company as of September 30, 2011 and (ii) the unaudited consolidated statements of operations of the Company for the period ended on that date (collectively, the "Financial Statements"). The Financial Statements: (1) have been prepared in accordance with the books of account and records of the Company; (2) fairly present in all material respects the consolidated financial condition of the Company and the results of its operations at the dates and for the periods specified in those statements, subject in the case of unaudited financial statements to normal year-end adjustments; and (3) have been prepared in accordance with GAAP, applied on a consistent basis, except that the unaudited financial statements do not contain footnotes.

Section 6.8. Absence of Undisclosed Liabilities. Except as set forth on Schedule 6.8, the Company does not have any debts, Liabilities, commitments or obligations of any nature whatsoever, whether accrued, absolute, contingent or otherwise, of a type required to be reflected or reserved against on a balance sheet of the Company prepared in accordance with GAAP, other than as provided for in this Agreement or specifically disclosed and accrued for or reserved against in the Financial Statements or as incurred in the ordinary course of business since the

date of the last balance sheet included in the Financial Statements. To the Knowledge of the Company, there is no basis for assertion against the Company of any such debt, Liability, commitment or obligation.

Section 6.9. Guaranties. The Company is not a party to any Guaranty, and no Person is a party to any Guaranty for the benefit of the Company.

Section 6.10. Accounts and Notes Receivable and Payable. The Company has delivered to Buyer a true and complete aged list of unpaid accounts and notes payable and receivable owing to and owed by the Company as of the Closing Date. Except as set forth on Schedule 6.10, all of such accounts and notes receivable and payable constitute only bona fide, valid and binding claims arising in the ordinary course of the business, subject, to the Knowledge of the Company, with regard to receivables, to no valid defenses, counterclaims or rights of setoff.

Section 6.11. Absence of Material Adverse Effects. Since December 31, 2010, and except as otherwise disclosed on Schedule 6.11, the Company has conducted its businesses only in the ordinary and usual course and in a manner consistent with past practices and, since such date: (a) there has been no Material Adverse Effect; and (b) the Company has not:

(a) amended or otherwise changed its Organizational Documents;

(b) issued, sold or authorized for issuance or sale, shares of any class of its securities (including, but not limited to, by way of stock split or dividend) or any subscriptions, options, warrants, rights or convertible securities, or entered into any agreements or commitments of any character obligating them to issue or sell any such securities;

(c) redeemed, purchased or otherwise acquired, directly or indirectly, any shares of its capital stock or any option, warrant or other right to purchase or acquire any such shares;

(d) declared or paid any dividend or other distribution (whether in cash, stock or other property) with respect to its capital stock or repaid any irrevocable capital contribution;

(e) sold, transferred, surrendered, abandoned or dispose of any of its assets or property rights (tangible or intangible), other than in the ordinary course of business;

(f) granted or made any Lien or subjected itself or any of its properties or assets to any Lien;

(g) granted any license or sublicense of any right under or with respect to any Intellectual Property, other than in the ordinary course of business;

(h) created, incurred or assumed any indebtedness or any Liability outside of the ordinary course of business or in an amount exceeding $100,000 per transaction or $250,000 in the aggregate;

(i) made or committed to make any capital expenditures outside of the ordinary course of business or in an amount exceeding $50,000 per transaction or $100,000 in the aggregate;

(j) granted or became subject to any Guaranty;

(k) applied any of its assets to the direct or indirect payment, discharge, satisfaction or reduction of any amount payable directly or indirectly by, to or for the benefit of the Company or any Affiliate thereof or to the prepayment of any such amounts or engaged in any transactions with an Affiliate;

(l) written off the value of any assets, inventory or any accounts receivable, or increased the reserves for obsolete, damaged, spoiled or otherwise not usable inventory or doubtful or uncollectable receivables, other than in the ordinary course of business;

(m) increased the compensation payable or to become payable to directors, officers or employees, other than increases in the ordinary course of business and consistent with past practice, or granted any rights to severance or termination pay to, or entered into any employment or severance agreement with, any director, officer or other employee of the Company or any Affiliate thereof, or established, adopted, entered into or materially amended any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee;

(n) entered into any transaction, commitment or agreement, or amended or terminated any existing Contract, in each case outside of the ordinary course of business or where the amount involved exceeds $100,000 per transaction, commitment, agreement or amendment or $250,000 in the aggregate;

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

(p) altered the manner of keeping its books, accounts or records, or changed in any manner the accounting practices, methods or assumptions therein reflected, in each case in any material respect;

(q) waived, released, assigned, settled or compromised any claims or any litigation;

(r) made any material Tax election or settled or compromised any material federal, state or local income Tax liability;

(s) taken or omitted to take any action which was intended to render any of the Company's representations or warranties untrue or misleading, or which would have been a material breach of any of the covenants of this Agreement;

(t) taken any action which could reasonably be expected to have a Material Adverse Effect; or

(u) agreed, whether in writing or otherwise, to do any of the foregoing.

Section 6.12. List of Accounts: Set forth on Schedule 6.12 is (a) the name and address of each bank or other institution in which the Company maintains an account (cash, securities or other) or safe deposit box; (b) the name and phone number of the Company's contact person at such bank or institution; (c) the account number of the relevant account and a description of the type of account; and (d) the persons authorized to transact business in such accounts.

Section 6.13. Tax Matters.

(a) The Company has filed, or caused to be filed, on a timely basis (taking into account all extensions) all material Tax Returns required to be filed by it prior to the Closing Date, and such Tax Returns are true, correct and complete in all material respects. The Company has not entered into any "listed transactions" as defined in Treasury regulation 1.6011-4(b)(2), and the Company has properly disclosed all reportable transactions as required by Treasury regulation 1.6011-4, including filing Form 8886 with Tax Returns and with the Office of Tax Shelter Analysis. The Company has not taken any reporting position on a Tax Return, which reporting position (A) if not sustained would be reasonably likely, absent disclosure, to give rise to a penalty for substantial understatement of federal income Tax under Section 6662 of the Code (or any similar provision of any Tax Law), and (B) has not adequately been disclosed on such Tax Return in accordance with Section 6662(d)(2)(B) of the Code (or any similar provision of any Tax Law).

(b) Schedule 6.13(b) lists all material Tax Returns required to be filed by the Company for periods up to the Closing Date (whether or not the period ends on such date) that have not been filed on or before the Closing Date. The Company is not the beneficiary of any extension of time within which to file any Tax Return.

(c) All material Taxes due and owing by the Company (whether or not reflected on any Tax Return) have been timely and fully paid.

(d) The Company has timely and properly withheld and paid to the appropriate governmental authority all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, shareholder, partner, member or other third party, including, but not limited to, amounts required to be withheld under Sections 1441 and 1442 of the Code (or similar provisions of state, local or non-U.S. Law).

(e) The aggregate unpaid Taxes of the Company did not, as of September 30, 2011, exceed the reserve for Tax liability (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) reflected on the face of the balance sheet in the interim financial statements referenced in Section 6.7(b). Since the date of such balance sheet, the Company has not incurred any Tax liabilities, other than for Taxes relating to the ordinary course of business conducted by the Company consistent with past practice.

(f) There are no Liens for Taxes (other than for current Taxes not yet due and payable) upon any assets of the Company.

(g) The Company is not a party to or bound by any Tax indemnity, Tax sharing or Tax allocation agreement or arrangement (excluding customary Tax indemnification provisions in commercial Contracts not primarily relating to Taxes).

(h) The Company (i) is not and never has been a member of an "affiliated group" within the meaning of Section 1504 of the Code filing a consolidated federal income Tax Return and (ii) does not have any liability for the Taxes of any Person (other than the Company) under Treasury Regulation Section 1.1502-6 (or similar provision of state, local or non-U.S. Law), as a transferee or successor, by contract or otherwise.

(i) The Company is not a party to or a partner in any joint venture, partnership or other arrangement or Contract that is treated as a partnership for federal income tax purposes.

(j) No claim has ever been made in writing by a Tax authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction.

(k) No federal, state, local or non-U.S. Tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to the Company.

(l) The Company has not received from any federal, state, local or non-U.S. Tax authority (including jurisdictions where the Company has not filed a Tax Return) any (i) written notice indicating an intent to open an audit or other review; (ii) written request for information related to Tax matters; or (iii) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any Tax authority against the Company, in each case with respect to a taxable period remaining open under the applicable statute of limitations.

(m) The Company has not extended or waived any statutes of limitation in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. No request for any such extension or waiver is currently pending.

(n) True, correct and complete copies of all Tax Returns, Tax examination reports and statements of deficiencies assessed against, or agreed to with respect to the Company with respect to taxable periods for which the applicable statute of limitations has not expired with the Internal Revenue Service or any other Tax authority have been made available to Buyer. The Company is not subject to any private letter ruling of, or closing agreement (as described in Section 7121 of the Code) with, the Internal Revenue Service or comparable ruling or agreement of or with any other Tax authority.

(o) The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(2) of the Code.

(p) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the date hereof as a result of any (i) change in method of accounting for a taxable period ending on or prior to the date hereof (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. income Tax law) executed on or prior to the date hereof; (iii) installment sale or open transaction disposition made on or prior to the date hereof; or (iv) prepaid amount or advance payment received on or prior to the date hereof.

(q) The Company does not have an overall foreign loss within the meaning of Section 904(f) of the Code.

(r) The Company has not constituted a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of shares qualifying for tax-free treatment under Section 355 of the Code.

Section 6.14. Insurance. Set forth on Schedule 6.14 is a list of all insurance policies providing insurance coverage of any nature to the Company. The Company has delivered to Buyer a true and complete copy of all of such insurance policies, as amended. Such policies are sufficient for the compliance by the Company with all requirements of Law and all Company Contracts. All of such policies are in full force and effect and are valid and enforceable in accordance with their terms, and the Company has complied with all terms and conditions of such policies, including the payment of premium payments. To the Knowledge of the Company, none of the insurance carriers has indicated an intention to cancel or not renew any such policy. The Company does not have any claim pending or, to the Knowledge of the Company, anticipated against any of the insurance carriers under any of such policies, and there has been no actual or alleged occurrence of any kind which may give rise to any such claim.

Section 6.15. Real Property. The Company does not own any real property. Schedule 6.15 to this Agreement sets forth a list of all real property leased, subleased or otherwise occupied by the Company. The copies of all of such leases provided to the Buyer by or on behalf of the Company are accurate and reflect all amendments made through the date of this Agreement. To the Knowledge of the Company, there are no pending condemnation, expropriation, eminent domain or similar proceedings affecting all or any portion of such real property. All of such leases are valid, subsisting obligations of the Company and in full force and effect, no notice of termination has been received by any Company with respect thereto and there are no existing defaults by the Company in the payment of any rent due under, or in the performance or observance of any material covenant or condition to be kept or performed by it under, any lease.

Section 6.16. Title to and Condition of Personal Property.

(a) Except as set forth in Schedule 6.16(a), the Company has good and marketable title or leasehold interest to each material item of equipment and other personal property, included as an asset in the Financial Statements, free and clear of all Liens.

(b) All of the buildings, structures, appurtenances, leasehold improvements, equipment, machinery, rolling stock and other tangible property owned or used by the Company are: (a) in reasonable operating condition and repair, ordinary wear and tear excepted, (b) not in need of substantial maintenance or repairs, and (c) adequate and sufficient in all material respects for the continuing conduct of the business of the Company as now conducted.

Section 6.17. Intellectual Property.

(a) Schedule 6.17 accurately identifies and describes:

(1) in Schedule 6.17(a)(1): (A) products or services currently, or currently contemplated to be, marketed, sold, licensed or otherwise made available by the Company in its business as presently conducted (each, a "Company Product," and collectively, the "Company Products"); and (B) all patents and applications therefor, registered trademarks and applications therefor, domain name registrations and copyright registrations owned by, licensed to or otherwise controlled by the Company or used in, developed for use in or necessary for the conduct of the Company's business as presently conducted and as contemplated to be conducted in the future, including, without limitation, any such Intellectual Property owned by, licensed to or otherwise controlled or used by the Company in connection with, or that is included in or embodied by, any of the Company Products (collectively the "Company IP"), specifying for each such item whether such item is owned by the Company or licensed to the Company or such other basis upon which the Company controls or uses such item, and for Company IP that is licensed to the Company, whether such license is exclusive or nonexclusive; and

(2) in Schedule 6.17(a)(2), each agreement pursuant to which either the Company has been granted a license or other right to use any Company IP or pursuant to which any third party has been granted any license under, or otherwise has retained, received or acquired any right to use or own, or any other interest in any Company IP (each, a "Company IP Contract" and collectively, the "Company IP Contracts").

(b) The Company has provided to the Buyer a complete and accurate copy of each assignment or other agreement or instrument by which the Company has acquired the Company IP owned by the Company, as well as each Company IP Contract entered into by the Company with respect to the Company IP at any time in connection with the Company Products, or relating to any of the Company IP. Except as otherwise disclosed in Schedule 6.17 (b), the Company is not bound by, and no Company Product is subject to, any agreement containing any covenant or other provision that in any way limits or restricts the ability of the Company to use, exploit, assert, or enforce any Company IP or make, use, sell or otherwise commercialize any Company Product anywhere in the world.

(c) Except as otherwise disclosed in Schedule 6.17(c), and except for Company IP that is licensed to the Company pursuant to a Company IP Contract, the Company exclusively owns all rights, title and interest in and to the Company IP free and clear of any Liens. Without limiting the generality of the foregoing, except as otherwise disclosed in Schedule 6.17 (c):

(1) Each past or present employee or independent contractor of the Company and any other individual or entity who is or was involved in the creation or development of or has or has had access to any Company Product or Company IP has executed and delivered to the Company a valid and enforceable agreement containing an irrevocable assignment of all Intellectual Property rights with respect thereto to the Company, and containing confidentiality provisions adequate to protect the trade secrets forming a part thereof;

(2) To the Company's Knowledge, no third party has any claim, right (whether or not currently exercisable) or interest to or in any Company IP;

(3) no grant or other funding, facilities or personnel of any governmental agency, university or other public or private institution, organization or agency were used, directly or indirectly, to develop or create, in whole or in part, any Company IP;

(4) the Company has taken all reasonable steps to maintain the confidentiality of and otherwise protect and enforce its rights in all trade secrets, know-how and other proprietary algorithms, technology and information owned or used in the Company Products or otherwise forming part of the Company IP, and, to the Knowledge of the Company, no individual involved in the development of the Company Products or any Company IP owned by the Company was, at the time of such involvement, subject to obligations to assign rights to inventions or other Intellectual Property developed by such individual to a governmental agency, university or other public or private institution, organization or agency;

(5) the Company has not assigned or otherwise transferred ownership of, or agreed to assign or otherwise transfer ownership of, any Company IP to any third party.

(6) the Company is not now and never has been a member or promoter of, or a contributor to, any industry standards body or similar organization that could require or obligate the Company to grant or offer to any other third party any license or right to any Company IP; and

(7) to the Knowledge of the Company, the Company IP constitutes all of the Intellectual Property used in and/or necessary for the conduct of the business conducted by the Company as currently conducted; and there is no specific item of Intellectual Property not owned or licensed by the Company which, to the Knowledge of the Company, will be necessary for the manufacturing, marketing or sale of the Company's rapid quantitative point-of-care diagnostic platform after the Closing as such system is currently constituted.

(d) Except as specified in Schedule 6.17 (a), neither the Company nor, to the Knowledge of the Company, any third party involved in the development of any Company IP that is identified in Schedule 6.17 (a) as owned by the Company have any patents, trademark or copyright registrations or any pending applications for any Company IP.

(e) Except as specified in Schedule 6.17(e), neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated by this Agreement will, with or without notice or the lapse of time, result in any third party obtaining or being given the right or option to cause or declare: (i) a loss of or Lien with respect to any Company IP; (ii) a breach of any Company IP Contract; (iii) the release, disclosure or delivery of any Company IP by or to any escrow agent or other third party; or (iv) the grant, assignment or transfer to any third party of any license or other right or interest under, to or in any of the Company IP.

(f) To the Knowledge of the Company, no third party has infringed, misappropriated, or otherwise violated or used without Company authorization, and no third party is currently infringing, misappropriating or otherwise violating or using without Company authorization, any Company IP.

(g) To the Knowledge of the Company, neither the development, use, sale, licensing or other provision or commercialization of any Company Product or Company IP nor the conduct of the business currently conducted or contemplated to be conducted in the future by the Company infringes, misappropriates, or otherwise violates or has in the past infringed, misappropriated or otherwise violated or to the Company's Knowledge, will infringe, misappropriate or otherwise violate (directly, contributorily, by inducement or otherwise) any Intellectual Property right of any third party. Except as set forth on Schedule 6.17(g), no royalty, fee or other compensation is due or payable by the Company to any third party relating to development, ownership, licensing or other commercialization or use of any of the Company IP. Without limiting the generality of the foregoing:

(1) no Intellectual Property infringement, misappropriation or similar claim or legal proceeding is pending or, to the Company's Knowledge, has been threatened against the Company or, to the Company's Knowledge, against any other third party that may be entitled to be indemnified, defended, held harmless or reimbursed by the Company with respect to such claim or legal proceeding in connection with any Company Product or Company IP, and the Company is not bound by any agreement or otherwise has any obligation to indemnify, defend, hold harmless or reimburse any third party with respect to any Intellectual Property infringement, misappropriation or similar claim; and

(2) the Company has never received any written, or, to the Knowledge of the Company, oral notice or other communication relating to any actual, alleged or suspected infringement, misappropriation or violation of any Intellectual Property of any third party involving the development, use or provision of any Company Product or Company IP.

(h) Except as disclosed in Schedule 6.17(h), no Company Product: (i) contains any bug, defect or error (including, without limitation, any bug, defect or error relating to or resulting from the display, manipulation, processing, storage, transmission or use of data) that materially and adversely affects the use, functionality or performance of such Company Product

or any product or system containing or used in conjunction with such Company Product; or (ii) fails to comply with any applicable warranty or other contractual commitment relating to the use, functionality or performance of such Company Product.

(i) To the Knowledge of the Company, none of the Company Products contain any "back door," "drop dead device," "time bomb," "Trojan horse," "virus," or "worm" (as such terms are commonly understood in the software industry) or any other code designed or intended to have, or capable of performing, any of the following functions: (A) disrupting, disabling, harming or otherwise impeding in any manner the operation of, or providing unauthorized access to, a computer system or network or other device on which such code is stored or installed; or (B) damaging or destroying any data or file without the user's consent.

(j) Except as specified in Schedule 6.17(j), none of the Company Products are subject to any "copyleft" or other obligation or condition (including any obligation or condition under any "open source" license such as without limitation the GNU Public License, Lesser GNU Public License or Mozilla Public License) that: (i) could or does require, or could or does condition the use or distribution of such Company Product on, the disclosure, licensing or distribution of any source code for any portion of such Company Product; or (ii) could or does otherwise impose any limitation, restriction or condition on the right or ability of the Company to use or distribute any Company Product. All open source software used by the Company or forming part of the Company Products is fully segregable and independent from the Company's proprietary software and, except as specified in Schedule 6.17(j), no open source code, including any general public license source code, is or has been incorporated or otherwise integrated into, aggregated or compiled with any Company proprietary software. No improvements or changes have been made to any such open source code, including any general public license source code, that would constitute improvements that the Company would be obligated to share with the open source community under any applicable open source license, nor, except as specified in Schedule 6.17(j), has the Company based any Company Product or other proprietary software on open source software.

(k) Except as specified otherwise in Schedule 6.17, no source code for any Company Product has been delivered, licensed or made available to any escrow agent or other third party, and the Company has no duty or obligation (whether present, contingent or otherwise) to deliver, license or make available the source code for any Company Product to any escrow agent or other third party.

(l) The Company Products conform in all material respects to the functional specifications listed in Schedule 6.17(l).

(m) The Company has not at any time prior to the date of this Agreement received any written, or, to the Knowledge of the Company, oral notification of any kind alleging that the Company has not complied with applicable data protection laws.

Section 6.18. Compliance with Environmental Laws. The Company is in compliance in all material respects with all applicable Environmental Laws. To the Knowledge of Company, there are no pending governmental claims, citations, notices of violation,

judgments, decrees or orders issued against the Company for impairment or 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. To the Knowledge of the Company, there is no condition relating to any properties of the Company that would require any type of remediation, clean-up, response or other action under applicable Environmental Laws. The Company has complied in all material respects with all applicable Environmental Laws in the generation, treatment, transportation, storage and disposal of Hazardous Materials.

Section 6.19. Employment Matters.

(a) Employment Agreements. Except as listed on Schedule 6.19(a), there are no employment, consulting, severance or indemnification arrangements, arrangements which contain change of control provisions, agreements, or understandings between the Company and any officer, director, consultant or employee ("Employment Agreements"). The Company has delivered to the Buyer true and complete copies of all of the Employment Agreements. No Employment Agreement (i) will require any payment by the Company or Buyer to any director, officer or employee of the Company, or any other party, by reason of the change in control of the Company resulting from the transactions contemplated by this Agreement, or (ii) provides for the acceleration or change in the award, grant, vesting or determination of options, warrants, rights, severance payments, or other contingent obligations of any nature whatsoever of the Company in favor of any such parties. Except as set forth on Schedule 6.19(a), the terms of employment or engagement of all directors, officers, employees, agents, consultants and professional advisers of the Company are such that their employment or engagement may be terminated at any time without liability for payment of compensation or damages (other than, with respect to employees of the Company, the payment of the statutory minimum compensation) and the Company has not entered into any agreement or arrangement for the management of its business or any part thereof other than with its directors or employees.

(b) Personnel. Schedule 6.19(b) contains the names, job descriptions and annual salary rates and other compensation of any kind of all officers, directors and consultants of the Company.

(c) Employment Laws. Except as set forth on Schedule 6.19(c), the Company has complied in all material respects with all applicable employment Laws, including payroll, withholding and related obligations, benefits, social security, and does not have any obligation in respect of any amount due to employees of the Company or the Company Subsidiaries or government agencies, other than normal salary or wages, other fringe benefits and contributions accrued but not payable on the date hereof.

(d) Policies. Except as listed on Schedule 6.19(a), the Company does not maintain any employee policies (written or otherwise), employee manuals or other written statements of rules or policies concerning employment.

(e) Employee Benefit Plans. Except as set forth on Schedule 6.19(e), the Company does not currently maintain or contribute to, and/or does not have any liability with respect to, any "employee benefit plan" as defined in Section 3(3) of ERISA, nor any other

deferred compensation, stock purchase, stock bonus, stock ownership, stock option, profit sharing, savings, medical, disability, hospitalization, insurance, deferred compensation, bonus, incentive, welfare or any other employee benefit plan, policy, agreement, commitment, arrangement or practice. The Company does not maintain or contribute to, and does not have any liability with respect to, any employee welfare benefit plan as defined in Section 3(1) of ERISA.

Section 6.20. Labor Relations. There is no strike or dispute pending or, to the Knowledge of the Company, threatened involving any employees of the Company. None of the employees of the Company is a member of any labor union, and the Company is not a party to, otherwise bound by or, to the Knowledge of the Company, threatened with any labor or collective bargaining agreement. None of the employees of the Company are engaged in organizing any labor union or other employee group that is seeking recognition as a bargaining unit. There are no unfair labor practice complaints pending or, to the Knowledge of the Company, threatened against the Company, and no Person has made any claim against the Company under any statute, regulation or ordinance relating to employees or employment practices, including without limitation those relating to age, sex and racial discrimination, conditions of employment, and wages and hours.

Section 6.21. Contracts. Schedule 6.21 sets forth a list of all material Contracts of the Company, and identifies each of the Contracts which contains an anti-assignment, change of control or notice of assignment or change of control provision. Each such Contract is in full force and effect and is the valid and legally binding obligation of the Company and, to the Company's Knowledge, is the valid and binding obligation of each other party thereto. The Company has not received notice of default by the Company under any of the Contracts listed on Schedule 6.21, and the Company is not in default under any such Contract to which it is a party, and no event has occurred which with the giving of notice or lapse of time or both would constitute such a default. None of the Contracts listed on Schedule 6.21 was entered into outside the ordinary course of business of the Company and none contain any provisions that could reasonably be expected to impair or adversely affect in any material way the operations of the Company. The Company has previously delivered to Buyer true, complete and correct copies of all the Contracts listed on Schedule 6.21.

Section 6.22. Related Parties. Except as set forth on Schedule 6.22, to the Knowledge of the Company, no current officer, employee, consultant, director, or Affiliate of the Company (a) owns, directly or indirectly, any interest in, or is a director, officer, employee, consultant or agent of, any Person which is a competitor of the Company; (b) owns, directly or indirectly, in whole or in part, any property, asset or right, real, personal or mixed, tangible or intangible, including any Intellectual Property, used in the conduct of the Company's business; (c) has an interest in or is, directly or indirectly, a party to any Contract; or (d) has any cause of action or claim whatsoever against, or owes any amount to the Company.

Section 6.23. Absence of Certain Business Practices. Neither of the Company nor, to the Knowledge of the Company, any of the Shareholders or current directors or officers of the Company, nor agents of the Company, nor to the Knowledge of the Company any other Person acting on behalf of or associated with the Company, acting alone or together, has: (a)

received, directly or indirectly, any rebates, payments, commissions, promotional allowances or any other economic benefits, regardless of their nature or type, from any customer, supplier, employee or agent of any customer or supplier, official or employee of any government (domestic or foreign) or other Person; or (b) directly or indirectly, given or agreed to give any money, gift or similar benefit to any customer, supplier, employee or agent of any customer or supplier, official or employee of any government (domestic or foreign), or any political party or candidate for office (domestic or foreign) or other Person who was, is or may be in a position to help or hinder the business of the Company (or assist the Company in connection with any actual or proposed transaction).

Section 6.24. Compliance with Laws. The Company is in compliance in all material respects with all Laws and other legal requirements applicable to it or its properties, including without limitation those relating to (a) the development, testing, manufacture, packaging, labeling, distribution, consumer protection and marketing of products or the provision of services, (b) employment, safety and health and (c) building, zoning and land use. The Company has not received notification from any governmental or regulatory authority asserting that it is not in compliance with or has violated any of the Laws, which such governmental or regulatory authority enforces, or threatening to revoke any authorization, consent, approval, franchise, license, or permit, and the Company is not subject to any agreement or consent decree with any governmental or regulatory authority arising out of previously asserted violations.

Section 6.25. Governmental Authorizations. The Company has all material authorizations, consents, approvals, franchises, licenses and permits required under applicable Law for the ownership of the Company's properties and operation of its business as presently operated, except that approval from the U.S. Food and Drug Administration to sell products of the Company has not been obtained (the "Permits"). No suspension nonrenewal or cancellation of any of the Permits is pending or, to the Knowledge of the Company, threatened, and there is no reasonable basis therefor. The Company is not in conflict with, or in default or violation of any Permits.

Section 6.26. Legal Proceedings. Except as set forth in Schedule 6.26, the Company is not a party to any pending or, to the Knowledge of the Company, threatened, legal, administrative or other proceeding, arbitration, mediation, out-of-court settlement negotiation or investigation. To the Knowledge of the Company, no Person who is or was a director or officer of the Company is a party to any pending or threatened, legal, administrative or other proceeding, arbitration, mediation, out-of-court settlement negotiation or investigation in their capacity as directors or officers of the Company. The Company is not subject to any material order, writ, injunction, decree or other judgment of any court or governmental or regulatory authority.

Section 6.27. Consent of Governmental Authorities. Except as set forth on Schedule 6.27 and except for the filing of the Certificate of Merger with the Delaware Secretary of State and such consents, approvals authorizations, registrations or filings as may be required under applicable federal and state securities laws, no material consent, approval or authorization of, or registration, qualification or filing with any governmental or regulatory authority, or any other Person, is required to be made by the Company in connection with the execution, delivery or performance of this Agreement the Company or the consummation by the Company of the transactions contemplated hereby.

Section 6.28. Brokers. Except as set forth on Schedule 6.28, the Company has not employed any financial advisor, broker or finder and have not incurred and will not incur any broker's, finder's, investment banking or similar fees, commissions or expenses in connection with the transactions contemplated by this Agreement, which would be payable by the Company or Buyer.

Section 6.29. Convertible Notes. The Note Purchase Agreement has been (or as of the Closing Date will be) terminated and is (or as of the Closing Date will be) of no further force and effect. Except as set forth on Schedule 1.1(a), no Convertible Notes are outstanding as of the date of this Agreement, and no party is entitled to receive or to be issued any Convertible Notes.

Section 6.30. Company Stock Options. Prior to or at the Effective Time, each Company Stock Option issued under the Company Stock Plan shall have been exercised, terminated, revoked or expired, in each case in accordance with the terms thereof and the terms of the Company Stock Plan. No Company Stock Options will be outstanding upon the Effective Time, and, as of the Effective Time, no Person will be entitled to receive or be issued any Company Stock Options or any Company Securities issuable upon exercise of any Company Stock Options.

Section 6.31. Reorganization Matters.

(a) The Company currently conducts a "historic business" within the meaning of Treasury Regulations Section 1.368-1(d), and no assets of the Company have been sold, transferred, or otherwise disposed of that would prevent Buyer from continuing the "historic business" of the Company or from using a "significant portion" of the Company's "historic business assets" in a business following the Merger, as such terms are used in Treasury Regulations Section 1.368-1(d).

(b) Other than any amounts paid by the Company in respect of dissenting shares, neither the Company nor any Person related to the Company within the meaning of Treasury Regulations Section 1.368-1(e)(3), (e)(4) and (e)(5) has redeemed, purchased or otherwise acquired, or made any distributions with respect to, any of the Company's capital stock prior to and in contemplation of the Merger, or otherwise as part of a plan of which the Merger is a part.

(c) The fair market value of the assets of the Company equals or exceeds the sum of (i) the amount of the liabilities of the Company assumed by the Merger Sub, (ii) the amount of the liabilities, if any, to which the transferred assets of the Company are subject, and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under Section 354 of the Code without the recognition of gain) received by the Shareholders in connection with the Merger. The liabilities of the Company assumed by the Merger Sub and the liabilities, if any, to which the transferred assets of the Company are subject, were incurred by the Company in the ordinary course of its business.

(d) The Company is not an investment company within the meaning of Section 368(a)(2)(F)(iii) and (iv) of the Code.

(e) The Company is not under the jurisdiction of a court in a Title 11 or similar case within the meaning of Section 368(a)(3)(A) of the Code.

(f) Except as specifically set forth in Section 9.10 of the Agreement, the Company will pay its expenses, if any, incurred in connection with the Merger, and the Company has not agreed to assume, and will not directly or indirectly assume, any expense or liability, whether fixed or contingent, of any Shareholder.

(g) There is no intercorporate indebtedness existing between the Company (or any other member of the Company's affiliated group, within the meaning of Section 1504 of the Code), on the one hand, and Buyer or the Merger Sub (or any other member of Buyer's affiliated group, within the meaning of Section 1504 of the Code), on the other hand, that was issued, acquired, or will be settled at a discount.

(h) None of the compensation received (or to be received) by any Shareholder who also provides services to the Company will be separate consideration for, or allocable to, any of such Person's shares of the capital stock of the Company; none of the shares of Buyer Common Stock received by any such Person pursuant to the Merger will be separate consideration for, or allocable to, any employment agreement or service arrangement; and the compensation paid to any such Person will be for services actually rendered (or to be rendered) and will be commensurate with amounts paid to third parties bargaining at arm's length for similar services.

Section 6.32. Disclosure. To the Knowledge of the Company, no representation or warranty of the Company contained in this Agreement or in the certificate delivered to the Buyer by or on behalf of the Company pursuant to Section 8.1(l) of this Agreement, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

EXCEPT AS SET FORTH IN THIS ARTICLE VI, NONE OF THE COMPANY, ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES MAKE OR HAVE MADE ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, IN RESPECT OF THE COMPANY, ITS AFFILIATES OR THE BUSINESSES. ANY SUCH OTHER REPRESENTATION OR WARRANTY IS HEREBY EXPRESSLY DISCLAIMED.

ARTICLE VII
ADDITIONAL AGREEMENTS

Section 7.1. Investigation; Notices. The representations, warranties and covenants 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 or the fact that such party knew or should have known of any inaccuracy or breach of any representation, warranty, agreement or covenant by the other party at any time, or the decision by such party to complete the Closing.

Section 7.2. Survival of the Representations and Warranties. The representations, warranties and covenants of each party set forth in this Agreement shall survive the Closing Date for a period of two (2) years, except that:

(a) the representations set forth in Sections 5.9 (Reorganization Matters), 6.13 (Tax Matters), 6.18 (Compliance with Environmental Laws), 6.19 (Employment Matters) and 6.32 (Reorganization Matters) shall survive until the expiration of the applicable statute of limitations or, if earlier, the date on which the final Milestone is achieved; and

(b) the representations set forth in Sections 5.1 (Organization), 5.2 (Authorization; Enforceability), 5.3 (No Violation or Conflict) 5.5 (Capitalization), 5.7 (Brokers), Sections 6.1 (Organization), 6.2 (Authorization; Enforceability), 6.5 (Capitalization), 6.28 (Brokers), shall survive until the earlier of (i) the date on which the final Milestone is achieved, or (ii) the date following which the final Milestone is incapable of being achieved (such representations referred to in this clause (b) being referred to herein as the "Fundamental Representations").

Section 7.3. Indemnification.

(a) Subject to Sections 7.2, 7.3(c) and 7.3(g), by virtue of the approval of the execution and delivery by the Company of this Agreement, each of the Shareholders (regardless of whether or not such Shareholder has actually voted his, her or its securities in favor of the execution and delivery by the Company of this Agreement) shall be deemed to have agreed to indemnify and hold harmless Buyer, Merger Sub and their Affiliates and their respective directors, officers, employees and agents from, against and in respect of (i) any and all Liabilities, arising from, in connection with, or incident to any breach or violation of any of the representations and warranties of the Company in Article VI or in the Certificate delivered pursuant to Section 8.1(l) hereto, or the representations and warranties made by such Shareholder in any Letter of Transmittal delivered by such Shareholder in respect of the Merger, or (ii) any Liabilities, arising from, in connection with, or incident to any claims made by any Shareholders against any of the officers or directors of the Company, or the Company, for breach of fiduciary duty (including Liabilities in respect of claims made against the Surviving Corporation or the Buyer by such officers or directors for indemnification) or similar claims in connection with the approval, adoption and filing (including recommendation to the Shareholders) of the amendment of the Company's Certificate of Incorporation to cause the conversion of the outstanding shares of Company Preferred Stock into shares of Company Common Stock immediately prior to the

Merger, or with the approval of the Agreement by the Shareholders, to the extent relating to such amendment to the Company's Certificate of Incorporation, or (iii) any payments made by Buyer or Merger Sub after the Effective Time with respect to any Dissenting Shares to the extent that such payments exceed the portion of the aggregate consideration to which the holders of such Dissenting Shares would have been entitled in connection with the Merger had such Dissenting Shares not been Dissenting Shares, as well as any and all costs and expenses (including legal fees and expenses) of the Buyer and the Surviving Company resulting from any claims by the holders of Dissenting Shares with respect thereto. The obligations of the Shareholders to indemnify the Buyer, Merger Sub and their Affiliates under this Section 7.3 shall be several and not joint.

(b) Subject to Sections 7.2 and 7.3(c), Buyer and Merger Sub agree to indemnify and hold harmless the Company, the Shareholders, and their respective directors, officers, employees and agents from, against and in respect of (i) and all Liabilities, arising from, in connection with, or incident to any breach or violation of any of the representations and warranties of Buyer and Merger Sub contained in this Agreement or in schedule, exhibit or attachment hereto, or any document or certificate delivered by Buyer or Merger Sub at or prior to the Closing, or (B) any and all Liabilities arising from, in connection with, or incident to any breach or violation of the covenants or agreements of Buyer and Merger Sub contained in this Agreement.

(c) No party shall be liable for any indemnification payment pursuant to this Section 7.3 unless and until such time as the total amount of all such Liabilities that have been directly or indirectly suffered or incurred by Buyer, Merger Sub, or the Shareholders, as the case may be, exceeds $500,000 in the aggregate (the "Indemnity Basket"), and in such event such indemnified party shall be entitled to be indemnified against and compensated and reimbursed for the full amount of its Liability going back to the first dollar. The Liabilities of the Buyer and the Merger Sub, on the one hand, and the Shareholders, on the other hand, with respect to their respective indemnification obligations pursuant to this Section 7.3 shall be limited to, and shall in no event exceed, the Indemnity Escrow Stock Consideration plus 50% of the aggregate amount of any Milestone Payments that Buyer actually pays as a result of the achievement of one or more Milestones following the Effective Time (the "Indemnity Cap"). Notwithstanding anything herein to the contrary, the Indemnity Basket and Indemnity Cap shall not apply with respect to any amounts payable for Liabilities in respect of breaches of Fundamental Representations or which result from fraud by the Indemnifying Party. Any Liabilities which are subject to indemnification hereunder shall be calculated net of (a) any reduction in Tax liability of the Indemnified Party or any of its Affiliates (including the Surviving Company) and (b) any insurance proceeds or other amounts under indemnification agreements received or receivable by the Indemnified Party on account of such Liabilities.

(d) Indemnification Procedure as to Third Party Claims.

(i) Promptly after a party entitled to indemnification under this Agreement (the "Indemnified Party") obtains knowledge of the commencement of any third party claim, action, suit or proceeding or of the occurrence of any event or the existence of any state of facts which may become the basis of a third party claim (any such claim, action, suit or

proceeding or event or state of facts being hereinafter referred to in this Section 7.3 as a "Claim"), in respect of which such Indemnified Party is entitled to indemnification under this Agreement, such Indemnified Party shall notify the party required to indemnify the Indemnified Party in respect of such Claim (the "Indemnifying Party") of such Claim in writing; provided, however, that any failure to give notice (A) will not waive any rights of the Indemnified Party and (B) will not relieve the Indemnifying Party of its obligations as hereinafter provided in this Section 7.3 after such notice is given unless the Indemnifying Party is materially adversely affected thereby. With respect to any Claim as to which such notice is given, the Indemnifying Party will assume the defense of or otherwise settle such Claim with counsel reasonably satisfactory to the Indemnified Party and experienced in the conduct of Claims of that nature at the Indemnifying Party's expense; provided, however, that the Indemnified Party (1) shall be permitted to join the defense and settlement of such Claim and to employ counsel reasonably satisfactory to it at its expense, and (2) shall cooperate fully with the Indemnifying Party in the defense and any settlement of such Claim in any manner reasonably requested by the Indemnifying Party. The Indemnifying Party shall not make any settlement of any claims without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed unless the judgment or proposed settlement (i) includes an unconditional release of all liability of each Indemnified Party with respect to such Claim, (ii) involves only the payment of money damages that are fully covered by the Indemnifying Party (including amounts deemed to be paid by the Shareholders by distribution of amounts to Buyer and the Surviving Company from escrow) and (iii) does not include any admission of wrongdoing. Without limiting the generality of the foregoing, it shall not be deemed unreasonable to withhold consent to a settlement involving injunctive or other equitable relief against the Indemnified Party or its Affiliates or their assets, employees or business.

(e) Prompt Payment; Tax Treatment of Indemnification Payments. With regard to claims for which indemnification is payable hereunder, such indemnification shall be paid promptly by the Indemnifying Party promptly upon demand by the Indemnified Party. All sums payable by either party as indemnification under this Section 7.3 shall constitute an adjustment of the Merger Consideration for Tax purposes and shall be treated as such by the parties hereto on their Tax Returns unless otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code. To the extent any sums payable hereunder shall fail to qualify as an adjustment of the Merger Consideration, such sums shall be paid free and clear of all deductions or withholdings (including any Taxes or governmental charges of any nature) unless the deduction or withholding is required by law, in which event or in the event the indemnified party shall incur any liability for Tax chargeable or assessable in respect of any such payment, the indemnifying party shall pay such additional amounts as shall be required to cause the net amount received by such indemnified party to equal the full amount which would otherwise have been received by it had no such deduction or withholding been made or no such liability for Taxes been incurred.

(f) Satisfaction of Buyer Indemnity Claims. To the extent any amount is owed by the Shareholders to any Person entitled to indemnification pursuant to Section 7.3(a) of this Agreement, such amount will first be satisfied from the Escrow Account in accordance with the terms of the Escrow Agreement. To the extent the Escrow Account is insufficient to satisfy all such amounts owed, any excess shall be satisfied by offset against the Milestone Payments subject to the limitations in Section 7.3(c) and (g).

(g) Exclusive Remedy. Following the Closing, the right of the Buyer to recover amounts from the Indemnity Escrow Stock Consideration and to off-set up to fifty percent (50%) of the amount of any Milestone Payment in accordance with this Section 7.3 shall constitute the sole and exclusive remedy for money damages and shall be in lieu of any other remedies for money damages that may be available to the parties with respect to any Liabilities (other than Liabilities in respect of fraud by any Person who is an Indemnifying Party under Section 7.3(a)) of any kind or nature incurred directly or indirectly resulting from or arising out of this Agreement (it being understood that nothing in this Section 7.3 or elsewhere in this Agreement shall affect the parties' rights to specific performance or other similar equitable non-monetary remedies). The parties each hereby waive any provision of applicable Law to the extent that it would limit or restrict the agreement contained in this Section 7.3. For purposes of the satisfaction of any Buyer Indemnity Escrow Claims, any shares of Buyer Common Stock released from the Indemnity Escrow Stock Consideration shall be deemed to have a value equal to the average closing sales price per share of Buyer Common Stock as reported by the NYSE for the ten trading days immediately preceding the Closing Date.

Section 7.4. Confidentiality. The Shareholders acknowledge that the Intellectual Property and all other confidential or proprietary information with respect to the business and operations of the Company are valuable, special and unique. The Shareholders shall not, at any time after the Closing Date, disclose, directly or indirectly, to any Person, or use or purport to authorize any Person to use any Intellectual Property, confidential or proprietary information with respect to the Company or Buyer, whether or not for the Shareholder's own benefit, without the prior written consent of Buyer, including without limitation, information as to the financial condition, results of operations, customers, suppliers, products, products under development, inventions, sources, leads or methods of obtaining new products or business, Intellectual Property, pricing methods or formulas, cost of supplies, marketing strategies or any other information relating to the Company or Buyer which could reasonably be regarded as confidential, but not including information which is or shall become generally available to the public other than as a result of an unauthorized disclosure by a Shareholder or a Person to whom a Shareholder has provided such information. The Shareholders acknowledge that Buyer would not enter into this Agreement without the assurance that all such confidential and proprietary information will be used for the exclusive benefit of the Company and the Surviving Entity.

Section 7.5. Continuing Obligations. The restrictions set forth in Section 7.4 are considered by the parties to be reasonable for the purposes of protecting the value of the business and goodwill of the Company and Buyer. Buyer and the Shareholders acknowledge that Buyer would be irreparably harmed and that monetary damages would not provide an adequate remedy to Buyer in the event the covenants contained in Section 7.4 were not complied with in accordance with their terms. Accordingly, the Shareholders agree that any breach or threatened breach by any of them of any provision of Section 7.4 shall entitle Buyer to injunctive and other equitable relief to secure the enforcement of these provisions, without posting a bond, in addition to any other remedies which may be available to Buyer, and that Buyer shall be entitled to receive from the Shareholders reimbursement for all reasonable attorneys' fees and expenses incurred by Buyer in enforcing these provisions.

Section 7.6. Shareholders Restrictions on Sale. The Shareholders understand and acknowledge that the shares of Buyer Common Stock to be issued to the Shareholders pursuant to this Agreement have not been registered with the SEC under the Securities Act and shall bear an appropriate restrictive legend. The Shareholders further understand and acknowledge that any sale, transfer or disposition by them of any of the Shares may, under current law, be made only (a) pursuant to an effective registration statement under the Securities Act, or (2) in accordance with Rule 144 of the Securities Act or another exemption to the Securities Act, and that, in connection with any such transfer pursuant to this clause (2), the Buyer may require an opinion of counsel reasonably satisfactory to the Company to the effect that such sale, transfer or disposition is exempt from the registration requirements of the Securities Act. The Buyer agrees to register the Registrable Shares (as defined on Exhibit C) in accordance with the Registration Rights set forth on Exhibit C to this Agreement (the provisions of which are incorporated into this Agreement by reference as if fully set forth herein).

Section 7.7. Tax Matters.

(a) For federal income tax purposes, the Merger is intended to constitute a reorganization within the meaning of Section 368(a) of the Code and the parties hereby shall treat the Merger consistent therewith for United States federal, state and other relevant Tax purposes (unless otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code), and shall use their respective reasonable best efforts to cause the Merger to qualify as a reorganization under Section 368(a) of the Code. The parties to this Agreement hereby adopt this Agreement as a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the income tax regulations promulgated under the Code. Furthermore, the parties hereto shall not take any action, and shall not permit or cause any Affiliate or any subsidiary to take any action or cause any action to be taken, that could reasonably be expected to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code. Following the Merger, Buyer will comply and cause the Surviving Company to comply with the record-keeping and information filing requirements of Treasury Regulations Section 1.368-3.

(b) The Company shall prepare and timely file, or shall cause to be prepared and timely filed, all Tax Returns in respect of the Company that are required to be filed (taking into account any extension) on or before the Closing Date. Such Tax Returns shall, unless otherwise required by Law or this Agreement, be filed in a manner consistent with past practice and no position shall be taken, election made or method adopted in filing such Tax Returns that is inconsistent with the most recent positions taken, elections made or methods used in prior Tax Returns of the Company.

(c) Buyer or the Surviving Company shall prepare or cause to be prepared in accordance with the past practice of the Company and timely file or cause to be timely filed all Tax Returns in respect of the Company that relate to taxable periods ending on or prior to the Closing Date but that are required to be filed after the Closing Date or that relate to any Straddle

Period. At least 15 Business Days prior to the due date (taking into account all extensions) for the filing of each such Tax Return, Buyer or the Surviving Company shall deliver such Tax Return to the Shareholder Representative Committee for its review, and shall make such revisions to such Tax Return as are reasonably requested by the Shareholder Representative Committee, provided, that to the extent that such revisions are requested in order that such Tax Return be prepared in accordance with the past practice of the Company, and the Buyer rejects such revisions (unless such rejection is based on the advice of the Buyer's tax counsel or its certified public accountants to the effect that the tax position contained or reflected in such proposed revision is not more likely than not to be sustained), the Shareholders shall not have any indemnification obligations to Buyer in respect of such Tax Return to the extent that the Shareholders would not have any indemnification obligations with respect to such Tax Return if such requested revisions had been made.

(d) Buyer (which for purposes of this subsection (d) shall include the Surviving Company and any of its subsidiaries) and the Shareholder Representative Committee shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with any audit, litigation or other judicial or administrative proceeding with respect to Taxes (a "Tax Contest") and in connection with the filing of Tax Returns. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information that are reasonably relevant to any such Tax Contest or Tax Return and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer and the Seller Representative agree (a) to retain all books and records with respect to Tax matters pertinent to the Company relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or the Seller Representative, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any Tax authority, and (b) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, Buyer or the Seller Representative, as the case may be, shall allow the other party to take possession of such books and records at such other party's expense.

(e) If, subsequent to the Closing, Buyer or the Surviving Company or any of their subsidiaries receives notice of a Tax Contest with respect to any Tax Return relating to a taxable period (or portion thereof) of the Company ending on or before the Closing Date, then within 15 Business Days after receipt of such notice, Buyer shall notify the Shareholder Representative Committee of such notice. Buyer shall have the right to control the conduct and resolution of such Tax Contest; provided, that Buyer shall keep the Shareholder Representative Committee informed of all developments on a timely basis and Buyer shall not resolve such Tax Contest in a manner that could reasonably be expected to have an adverse impact on the indemnification obligations of the Shareholders under this Agreement without the Shareholder Representative Committee's prior written consent, which consent shall not be unreasonably withheld. In the event of any conflict or overlap between the provisions of this subsection (e) and Section 7.3(d) (Indemnification Procedure as to Third Party Claims), the provisions of this subsection (e) shall govern.

(f) The parties hereto shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp taxes, any transfer, recording, registration and other fees, and any similar taxes (collectively, "Transfer Taxes") which become payable in connection with the transactions contemplated hereby. The Surviving Company shall pay all such Transfer Taxes.

(g) The Company shall deliver to the Buyer at the Closing a certificate, in compliance with Treasury Regulations Section 1.897-2(h)(1)(i), certifying that the Company is not a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code and has not been one on any determination date (as specified in Treasury Regulations Section 1.897-2(c)(2) during the five (5) year period ending on the Closing Date.

Section 7.8. Preparation of Form 8-K. The Company and the Shareholder Representative Committee agree to reasonably cooperate with the Buyer in connection with (a) the preparation and filing by the Buyer of a Current Report on Form 8-K disclosing the Closing (including any amendments thereto) and (2) the preparation and filing of any financial statements required to be included in such Current Report pursuant to Item 9.01(a) of Form 8-K.

Section 7.9. Indemnification, Exculpation and Insurance. All rights to indemnification and exculpation from liabilities for acts, omissions or other matters occurring or existing at or prior to the Effective Time now existing in favor of the current or former directors, officers and employees of the Company (the "D&O Indemnified Parties") as provided in the Company's certificate of incorporation or bylaws or any indemnification agreements between the Company and any D&O Indemnified Parties (in each case, as in effect on the date hereof) shall be assumed by the Surviving Company in the Merger, without further action, as of the Effective Time and shall survive the Merger and shall continue in full force and effect in accordance with their terms. Buyer and the Surviving Company shall jointly and severally indemnify and hold harmless, and provide advancement of expenses to the D&O Indemnified Parties to the same extent such persons have the right to be indemnified and held harmless, or have the right to advancement of expenses, by the Company pursuant to the Company's certificate of incorporation, bylaws or any agreement between the Company and any D&O Indemnified Parties, in each case to the full extent permitted by applicable law; except that no indemnification shall be provided by the Buyer and the Surviving Company under this Section 7.9(a) with respect to claims which are pending, or to the actual Knowledge of the applicable D&O Indemnified Party, threatened against such D&O Indemnified Party as of the Closing Date but which was not disclosed to the Buyer (in writing) as of the Closing Date.

(a) Prior to the Closing, the Company shall obtain a prepaid directors' and officers' liability insurance policy or policies (i.e., "tail coverage") which policy or policies provide such directors and officers, with coverage for an aggregate period of not less than three (3) years following the Effective Time with coverage in amount and scope at least as favorable as the Company's existing coverage, with respect to claims arising from facts or events that occurred on or before the Closing Date, including with respect to the transactions contemplated by this Agreement. The premiums for such prepaid policies shall be paid in full by the Company at or prior to the Effective Time and such prepaid policies shall be non-cancelable. Buyer shall, and shall cause the Surviving Company to, maintain such policies in full force and effect, and continue to honor the obligations thereunder, during the period for which they have been prepaid.

(b) The covenants contained in this Section 7.9 are intended to be for the benefit of, and shall be enforceable by, each of the D&O Indemnified Parties and their respective heirs and legal representatives, and shall not be deemed exclusive of any other rights to which a D&O Indemnified Party is entitled, whether pursuant to law, contract or otherwise. Buyer shall pay all expenses, including reasonable attorneys' fees, that may be incurred by D&O Indemnified Parties and their respective heirs and legal representatives in connection with their enforcement of their rights provided in this Section 7.9.

Section 7.10. Continuing Company Employees. As of and following the Closing Date, Buyer shall permit employees of Company who continue employment with Buyer or any of its subsidiaries following the Closing Date, and, as applicable, their eligible dependents, to participate in the employee welfare benefit plans, programs or policies (including, without limitation, any vacation, sick, personal time off plans or programs) of Buyer, any plan of Buyer intended to qualify within the meaning of Section 401(a) of the Code and any equity compensation plans sponsored or maintained by Buyer on terms no less favorable than those provided to similarly situated employees of Buyer. Such continuing employees (i) shall receive credit for purposes of eligibility and vesting for years of service with the Company prior to the Closing Date in the applicable welfare benefit plans and pension plan (intended to qualify within the meaning of Section 401(a) of the Code) of Buyer, and (ii) shall receive credit for the purpose of vacation accrual levels after the Closing Date for years of service for years of service with the Company prior to the Closing Date. Notwithstanding anything to the contrary, any such credit and waiver will not result in duplication of benefits.

ARTICLE VIII
DELIVERIES AT CLOSING

Section 8.1. Deliveries of the Company. At the Closing, the Company is delivering to the Buyer:

(a) Consents. Evidence satisfactory to the Buyer that the Company has obtained (without the imposition of any adverse terms or conditions and without any Liability to Buyer) all consents and approvals listed on Schedule 8.1.

(b) Governmental Consents. Evidence satisfactory to the Buyer that the Company has obtained (without the imposition of any adverse terms or conditions and without any Liability to Buyer) all consents of any governmental or regulatory authority required to consummate the transactions contemplated by this Agreement.

(c) Cancellation of Convertible Notes. Evidence satisfactory to the Buyer that all indebtedness of the Company for borrowed money under the Convertible Notes has been (or will be) repaid or otherwise satisfied and discharged effective as of the Effective Time, and that the Note Purchase Agreement has been terminated and is of no further force and effect.

(d) Company Stock Options. Evidence satisfactory to the Buyer that each Company Stock Option issued under the Company Stock Plan has been exercised, terminated, revoked or expired, in each case in accordance with the terms thereof and the terms of the Company Stock Plan.

(e) Conversion of Preferred Stock. Evidence satisfactory to the Buyer that all shares of Company Preferred Stock have been converted into shares of Company Common Stock at or prior to the Effective Time,

(f) Indebtedness. Evidence satisfactory to the Buyer that all indebtedness of the Company for borrowed money has been (or will be) repaid or otherwise satisfied and discharged effective as of the Effective Time, and that all Liens with respect to the assets of the Company have been released or will be released effective as of the Effective Time.

(g) Employment Agreements. Employment agreements (the "Employment Agreements"), in form and substance satisfactory to the Buyer, between the Surviving Company and each of Michael Magliochetti, David Steinmiller and Vincent Linder (the "Executives") fully executed by each of the Executives party thereto.

(h) Shareholder Approval. Evidence satisfactory to the Buyer that at least 51% of the Shareholders have approved this Agreement and the transactions contemplated hereby in accordance with the requirements of the Company's Organizational Documents and the DGCL.

(i) Termination of Investor Rights Agreement and Related Agreements. Evidence satisfactory to the Buyer that the Investor Rights Agreement, the ROFR Agreement and the Voting Agreement have been terminated and are of no further force and effect.

(j) Requisite Approvals; Company Recommendation. Evidence satisfactory to the Company that the Board of Directors of the Company has taken appropriate corporate action to approve the transactions contemplated hereby, and has recommended that the Shareholders vote in favor of the adoption of this Agreement.

(k) Accredited Investor Representation Letters. Representation letters, in the form attached as Exhibit D to this Agreement, fully executed by each of the Shareholders who approved this Agreement and the transactions contemplated hereby as contemplated by Section 8.1(h) above.

(l) FIRPTA Certificate. A certificate duly executed by an officer of the Company certifying that that no interest in the Company is a "United States real property interest" (as defined in Section 897(c)(1) of the Code).

(m) 401(k) Plan. Evidence satisfactory to the Buyer that the Company's 401(k) plan has been terminated and is of no further force and effect.

Section 8.2. Timing of Satisfaction of Conditions. All actions required to be taken and all documents required to be executed and delivered at or prior to the Closing in accordance with Section 8.1 shall be deemed to have been taken, delivered and executed simultaneously, and no proceeding shall be deemed taken nor documents deemed executed or delivered until all have been taken, delivered and executed.

ARTICLE IX
MISCELLANEOUS

Section 9.1. Further Assurances. The parties agree to 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.

Section 9.2. Publicity. The parties agree to cooperate in issuing any press release or other public announcement concerning this Agreement or the transactions contemplated hereby, subject to mutual agreement of the parties upon the text and the exact timing of any such press release or public announcement relating to the transactions contemplated by this Agreement. Nothing contained herein shall prevent any party from at any time furnishing any information to any governmental authority which it is by law or otherwise so obligated to disclose or from making any disclosure which its counsel deems necessary or advisable in order to fulfill such party's disclosure obligations under applicable Law or the rules of the SEC or NYSE.

Section 9.3. Assignment of Rights. The Company shall, without the payment of any additional consideration by Buyer or Merger Sub, take all such actions as may be required to transfer all of its right, title and interest in and to all assets, Intellectual Property, contracts, agreements or other rights which are utilized by or for the benefit of the Company in the conduct of its respective business so as to ensure that all such rights, title and interest inure to the benefit of the Merger Sub.

Section 9.4. 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, Miami, Florida 33137, Attn: Kate Inman, Deputy General Counsel, Fax (305) 575-6444.

Section 9.5. Entire Agreement. This Agreement, its schedules and exhibits, contain every obligation and understanding between the parties relating to the subject matter hereof, merges all prior discussions, negotiations and agreements, if any, between them, and none of the parties shall be bound by any representations, warranties, covenants, or other understandings, other than as expressly provided or referred to herein or therein.

Section 9.6. Assignment. This Agreement may not be assigned by any party without the written consent of the other party. 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.

Section 9.7. Waiver and Amendment. This Agreement may be amended prior to the Effective Time only by an instrument in writing, duly authorized by the Company Board, and executed by Buyer, the Merger Sub, the Company and the members of the Shareholder Representative Committee. This Agreement may be amended subsequent to the Effective Time only by an instrument in writing executed by Buyer, the Surviving Company and the members of the Shareholder Representative Committee. 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.

Section 9.8. No Third Party Beneficiaries. Except with respect to the Persons entitled to indemnification pursuant to Article VIII, nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any Person other than the parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

Section 9.9. 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.

Section 9.10. Expense. 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; provided, that Buyer shall pay the Transaction Costs.

Section 9.11. 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.

Section 9.12. Counterparts. This Agreement may be executed in any number of counterparts (including counterparts delivered by facsimile or in a *.pdf file), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 9.13. 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.

Section 9.14. 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.

Section 9.15. Governing Law. This Agreement has been entered into and shall be construed and enforced in accordance with the laws of the State of Delaware without reference to the choice of law principles thereof.

Section 9.16. Jurisdiction and Venue. This Agreement shall be subject to the exclusive jurisdiction of the state and federal courts of the State of Delaware. The parties to this Agreement irrevocably, unconditionally, and expressly agree to submit to the jurisdiction of the courts of the State of Delaware for the purpose of resolving any dispute among the parties relating to this Agreement or the transactions contemplated hereby. The parties waive, to the fullest extent permitted by law, any objection to jurisdiction they may now or hereafter have to the laying of venue of any suit, action, or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, or any judgment entered by any court in respect hereof brought in the State of Delaware, and further irrevocably waive any claim that any suit, action or proceeding brought in the State of Delaware has been brought in an inconvenient forum.

Section 9.17. Provision Respecting Legal Representation.

The Company hereby agrees, on its own behalf and on behalf of its directors, members, partners, officers, employees and Affiliates, that Latham & Watkins LLP may serve as counsel to each and any Shareholder and their respective Affiliates (individually and collectively, the "Holder Group"), on the one hand, and the Company, on the other hand, in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and that, following consummation of the transactions contemplated hereby, Latham & Watkins LLP (or any successor) may serve as counsel to the Holder Group or any director, member, partner, equityholder, officer, employee or Affiliate of the Holder Group, in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement notwithstanding such representation and each of the parties hereto hereby consents thereto and waives any conflict of interest arising therefrom, and each of such parties shall cause any Affiliate thereof to consent to waive any conflict of interest arising from such representation.

[Signature Pages Follow]

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

[*Signature Page to Agreement and Plan of Merger*]

BUYER:

OPKO HEALTH, INC.

By: _____
Name:
Title:

4400 Biscayne Boulevard
Miami, Florida 33137
USA
Attn:
Facsimile:

MERGER SUB:

CLAROS MERGER SUBSIDIARY, LLC

By: _____
Name:
Title:

c/o Opko Health, Inc.
4400 Biscayne Boulevard
Miami, Florida 33137
USA
Attn:
Facsimile:

COMPANY:

CLAROS DIAGNOSTICS, INC.

By: _____
Name:
Title:

4 Constitution Way
Woburn, Massachusetts 01801
Attention: President and CEO
Facsimile: 781-933-8011

SHAREHOLDER REPRESENTATIVE COMMITTEE:

/s/ Ellen Baron
Ellen Baron

/s/ Marc Goldberg
Marc Goldberg

/s/ Michael Magliochetti
Michael Magliochetti

*** The Disclosure Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplementally copies of any of the omitted schedules or exhibits upon request by the Securities and Exchange Commission.**

Exhibit 10.1

[*] CERTAIN INFORMATION IN THIS EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED PORTIONS. ASTERISKS DENOTE SUCH OMISSIONS

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of September 21, 2011, is made by and among Optos plc, a company incorporated in Scotland with registered number SC139953 (the "Company"), Optos Inc., a wholly-owned subsidiary of the Company (the "Buyer"), OPKO Health, Inc., a Delaware corporation ("OPKO Health"), OPKO Instrumentation, LLC, a Delaware limited liability company ("Instrumentation"), Ophthalmic Technologies, Inc., an Ontario corporation ("OTI") and OTI (UK) Limited, a company incorporated in England ("OTI UK", with each of Instrumentation, OTI and OTI UK being referred to as a "Seller", and together the "Sellers").

WHEREAS, the Sellers are engaged in the Business (as defined below);

WHEREAS, the Sellers desire to sell and assign to the Buyer, and the Buyer desires to purchase and assume from Sellers, substantially all of the assets and liabilities of the Business, all upon the terms and subject to the conditions hereinafter set forth;

WHEREAS, in consideration for the Sellers' and the Buyer's obligations hereunder, Company shall guarantee all of the Buyer's obligations under this Agreement, including without limitation the assumption of the Assumed Liabilities and the payment of the Royalty, and OPKO Health shall guarantee all of the Sellers' obligations under this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I.
DEFINITIONS

SECTION 1.1. Definitions.

As used in this Agreement, the following terms have the meanings set forth below:

"Accounts Receivables" means all trade accounts receivable and other rights to payment from customers of the Business (including any amount in respect of VAT, sales, transfer or any similar tax payable thereon and trade accounts receivables from Affiliates of the Sellers), and any claim, remedy or other right arising out of the foregoing.

"Agreement" has the meaning set forth in the first paragraph of this Agreement.

"Affiliate" means with respect to any Person, any other Person that directly or indirectly controls or is controlled by, or is under direct or indirect common control with, such Person. For purposes of this definition, a Person shall be deemed, in any event, to control another Person if it owns or controls, directly or indirectly, more than fifty percent (50%) of the voting equity of the other Person or has the power to direct or cause the direction of the management of the other Person, whether through ownership of voting securities or otherwise.

"Assumed Liabilities" has the meaning set forth in Section 2.3(a).

"Balance Sheet" means a balance sheet of the Business as at the Balance Sheet Date.

"Balance Sheet Date" means 31 August 2011.

"Bill of Sale and Assignment and Assumption Agreement" means a bill of sale and assignment and assumption agreement to be executed and delivered by the Buyer and the Sellers substantially in the form set forth on Attachment A and initialed by the parties for the purposes of identification.

"Books and Records" has the meaning set forth in Section 2.1(a)(x).

"Business" means such part of the respective Sellers' business as relates to the development, commercialization and sale of ophthalmic diagnostic and imaging systems and instrumentation products, including the Products, as carried on by the Sellers as at the date of this Agreement.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in the U.S. are permitted or required to close by law or regulation.

"Buyer" has the meaning set forth in the first paragraph of this Agreement.

"Buyer Indemnified Parties" has the meaning set forth in Section 11.2(a).

"Cash Consideration" has the meaning set forth in Section 3.1.

"Circular" has the meaning set forth in Section 8.2.

"Closing" and "Closing Date" have the meaning set forth in Section 4.1.

"Combination Product" has the meaning set forth in the definition of "Net Sales".

"Company" has the meaning set forth in the first paragraph of this Agreement.

"Company Products" means products developed by the Company, the Buyer or their Affiliates that are derived from or based on (in whole or in part) the Products or the Purchased Assets, or that combine the Products or utilize the Sellers' Intellectual Property or the Purchased Assets in combination with a Company widefield retinal scanning device.

"Company Shareholders Meeting" has the meaning set forth in Section 8.1(a).

"Confidential Information" has the meaning set forth in Section 7.7(a)(i).

"Contracts" means contracts, leases, indentures, agreements and all other legally binding arrangements, whether in existence on the date hereof or subsequently entered into, whether written or oral, including all amendments thereto, which relate to the Business or the Purchased Assets.

"Disclosed" means in relation to the representations and warranties given by the Sellers, disclosed with sufficient explanation to identify in reasonable detail the nature and scope of the matters disclosed by the Disclosure Schedule.

"Disclosure Documents" means the bundle of documents in the Agreed Form which accompanies the Disclosure Schedule.

"Disclosure Schedule" means the disclosure schedule together with the Disclosure Documents having the same date as this Agreement from the Sellers to the Buyer.

"Employee Benefit Plan" means any "employee benefit plan" (as such term is defined in ERISA §3(3)) and any other material employee benefit plan, program, arrangement, employee policy, fringe benefit or change of control agreement, whether or not written.

"Encumbrance" means, with respect to any asset, any imperfection of title, mortgage, charge, lien, security interest, claim, easement, right of way, pledge, encumbrance or similar interest of any kind or nature whatsoever affecting the title to or use of the assets to which they apply.

"Environmental Laws" has the meaning set forth in Section 5.15(a).

"Equipment" has the meaning set forth in Section 2.1(a)(xi).

"Excluded Assets" has the meaning set forth in Section 2.2.

"Excluded Books and Records" has the meaning set forth in Section 2.2(a).

"Excluded Contracts" all contracts, leases, indentures, agreements and all other legally binding arrangements, whether existing at the date of this Agreement or subsequently entered into, whether oral or in writing: (i) which relate in whole or in part to the respective Sellers' business other than the Business, (ii) the only parties to which are the Sellers and their Affiliates other than the lease for the Hialeah Facility, or (iii) contracts which are listed on Schedule 2.2(h).

"Excluded Liabilities" has the meaning set forth in Section 2.3(b).

"FDA" means the U.S. Food and Drug Administration.

"Financial Statements" means (i) the audited consolidated balance sheets of the Business at 31 December 2010, 2009, and 2008; and (ii) the statements of income and cash flows of the Business for the fiscal years then ended, as provided to the Buyer by the Sellers.

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

"Governmental Entity" means any court, administrative agency or commission or other governmental authority, body or instrumentality, whether U.S. or non-U.S.

"Governmental Rule" means any law, judgment, order, decree, statute, ordinance, rule or regulation enacted, issued or promulgated by any Governmental Entity.

"Hialeah Facility" means the facility located at 621 W. 20 Street, Hialeah, Florida 33010.

"Hire Date" has the meaning set forth in Section 8.4(a).

"Hired Employee" has the meaning set forth in Section 8.4(a) but excludes the Transferring Employees.

"IFRS" has the meaning set forth in Section 5.5(b).

"Indemnification Threshold" has the meaning set forth in Section 11.2(b).

"Indemnitee" has the meaning set forth in Section 11.4(a).

"Indemnitor" has the meaning set forth in Section 11.4(a).

"Instrumentation" has the meaning set forth in the first paragraph of this Agreement.

"Intellectual Property" means (a) inventions, developments and discoveries (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations relating thereto, (b) copyrightable works, all copyrights, and all applications, registrations, and renewals relating thereto, (c) trade secrets and confidential business information (including ideas, research and development, Know How, formulas, compositions, databases, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (d) computer software (including all data and related documentation), (e) other proprietary rights, and (f) copies and tangible embodiments of the foregoing (in whatever form or medium).

"Inventory" has the meaning set forth in Section 2.1(a)(xii).

"Know How" means any know how, trade secrets or Confidential Information of the Sellers relating to the Business.

"Knowledge" of the Sellers and OPKO Health or the Buyer and the Company (as applicable) and terms of similar import shall mean (as applicable) the actual knowledge of the directors and officers of the Sellers and OPKO Health or the Buyer and the Company.

"Lease Extension Agreement" the agreement evidencing the amendment to the Lease of the Hialeah Facility to include the additional area used by the Business not currently included within the terms of that Lease and extending the term of such Lease to 31 December 2012.

"Leased Real Property" has the meaning set forth in Section 5.11(b).

"Leases" has the meaning set forth in Section 5.11(b).

"Liabilities" means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, or known or unknown, including those arising under any Governmental Rule or action and those arising under any Contract, arrangement, commitment or undertaking, or otherwise.

"Long Stop Date" has the meaning set forth in Section 10.1(a)(ii).

"Losses" has the meaning set forth in Section 11.2(a).

"Material Adverse Change" means any effect or change, individually or in the aggregate with all such similar or related changes, that would be materially adverse to the business, prospects, operations, assets, properties or results of operations of a party, taken as a whole, or to the ability of any party to consummate timely the transactions contemplated hereby; provided that none of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Change: any adverse change, event, development, or effect arising from or relating to (i) financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (ii) changes in any Governmental Rule or GAAP, (iii) general changes in economic or business conditions, (iv) the negotiation, execution, or announcement of this Agreement, including any adverse change in customer, distributor, employee, supplier, or similar relationships arising therefrom or (v) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby.

"Maximum Amount" has the meaning set forth in Section 11.2(b).

"Minor Claim" has the meaning set forth in Section 11.2(b).

"Net Sales" shall mean gross amounts invoiced for sales of Products or Company Products to customers, less the following: (a) payments made or credits allowed to customers and actually credited to customers for promotional purposes, allowances, rebates, discounts, profit share payments and other usual and customary discounts, including, without limitation, volume and prompt payment discounts, to customers, which are actually received by customers, (b) amounts repaid or credited by reason of rejections, damages or returns of goods, or because of retroactive price adjustments, and (c) specific amounts invoiced but not received following reasonable collection efforts by the Buyer or the Company as applicable. Only sales of Products and Company Products by the Company, the Buyer, their Affiliates, distributors and licensees to unrelated parties shall be deemed Net Sales hereunder. Sales of Product and Company Product between Company, the Buyer and their Affiliates or sublicensees shall be excluded from Net Sales. However, sales of Product and Company Product by Affiliates or sublicensees to unrelated third parties shall be included as Net Sales as if such sales were made directly by the Company or the Buyer to such unrelated third parties.

In the event that a Product or Company Product is sold in a combination package containing such Product or Company Product packaged together in combination with one or more other products, devices, equipment or components (a "Combination Product"), Net Sales for such Combination Product will be calculated by multiplying actual Net Sales of such Combination Product by the fraction A/(A+B) where A is the selling price of the Product or Company Product as the case may be if sold separately in finished form and B is the selling price of any other products, equipment or components in the Combination Product if sold separately in finished form provided that the selling price of any Combination Product shall not be less than A+B. In the event that a product containing the Product or Company Product or one or more of such products, equipment or components in the Combination Product are not sold separately, then the parties shall negotiate in good faith a formula for calculating Net Sales for such Combination Product that reflects the respective contributions of the product containing Products and Company Products and such other products, equipment or components to the overall value of such Combination Product. The Buyer and the Company covenant that they will not intentionally manipulate any part of the fraction A/(A+B) to avoid or reduce royalty payments or obligations that would otherwise be due for sales of Product or Company Product in combination form or otherwise.

"Nidek" has the meaning set forth in Section 2.3(b)(vii).

" * Purchase Orders" means Purchase Order Nos. 09/29/2009, EYECUPS, 0099, 04.22.2010, 04.22.2010, 14.06.2010, 02.08.10, 07132010, 14.06.2010, 24.06.2010, 07.26.10, 072711.

" * Invoices" means Invoice Nos. 7210, 7230,7179, 7177, 7045, 6490, 7647, 7025, 7258, 7263, 8117 and 7029 issued to * and/or *, in the aggregate amount of $*.

"OPKO Health" has the meaning set forth in the first paragraph of this Agreement.

"Ordinary Course" means the ordinary course of business of the Business consistent with the past practice of the Sellers.

"Other Assignment Documents" has the meaning set forth in Section 4.2(a)(iv).

"OTI" has the meaning set forth in the first paragraph of this Agreement.

"OTI UK" has the meaning set forth in the first paragraph of this Agreement.

"Permitted Encumbrances" means any minor imperfections of title or similar Encumbrance that do not, and would not reasonably be expected to, individually or in the aggregate, impair the value or interfere with the use of, the Purchased Assets.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, business association, organization, Governmental Entity or other entity.

"Potential Successor Tax" shall mean any Taxes owed by the Sellers as of the Closing Date with respect to which the Buyer may have successor liability.

"Product Regulatory Documents" means (a) any approvals, consents, licenses, permits, waivers, applications, registrations or other authorizations relating to the ownership or operation of the Purchased Assets including the Products, whether with the FDA or any other similar regulatory agencies in other countries, or the conduct of the Business and (b) all supplements and amendments that may be filed with respect to any filings described in the preceding clause (a).

"Product Technical Information" means the following information owned by or controlled by the Sellers, as in existence and in the possession of the Sellers as of the Closing Date relating to the Products and the Business: Product specifications and test methods, drawings, designs, technical information, regulatory and clinical trial materials, data and information, manufacturing and packaging instructions, records of complaints, and other documents necessary for the manufacture, control and release of the Products as presently conducted by, or on behalf of, the Sellers or any of their Affiliates.

"Products" means the OPKO Spectral OCT SLO; the development stage OCT devices (Falcon 1 and 2); and the A, B, and UBM ultrasound devices on the OTIS-Scan 3000.

"Purchase Orders" has the meaning set forth in Section 2.1(a)(vi).

"Purchase Price" has the meaning set forth in Section 3.2(b).

"Purchased Assets" has the meaning set forth in Section 2.1(a).

"Recommendation" has the meaning set forth in Section 8.2.

"Regulations" means the Transfer of Undertakings (Protection of Employment) Regulations 2006.

"Requisite Shareholder Vote" has the meaning set forth in Section 8.2.

"Restricted Area" has the meaning set forth in Section 7.7(d)(i).

"Restricted Period" means the period ending on the earlier of (i) the fifth anniversary of the Closing Date and (ii) the date on which the Royalty ceases to be payable under the terms of this Agreement.

"Royalty" has the meaning set forth in Section 3.2(b).

"Royalty Payment Date" has the meaning set forth in Section 3.2(a).

"Royalty Period" has the meaning set forth in Section 3.2(b).

"Seller Indemnified Parties" has the meaning set forth in Section 11.3.

"Seller(s)" has the meaning set forth in the first paragraph of this Agreement.

"Tax(es)" means all federal, state, local and foreign taxes, customs, duties, governmental fees and assessments, whether of the United States, Canada, the United Kingdom or elsewhere, including all interest, penalties and additions with respect thereto, and any obligation to pay any amount in respect of Tax or other amounts as set out above.

"Tax Return" means any report, return, election, notice, estimate, declaration, information statement and other forms and documents (including all schedules, exhibits and other attachments thereto) relating to and filed or required to be filed with a taxing authority in connection with any Taxes (including estimated Taxes).

"Third-Party Claim" has the meaning set forth in Section 11.4(b).

"Transaction Documents" means the instruments and documents described in Section 4.2 of this Agreement, which are to be executed and delivered by or on behalf of the Buyer and the Sellers.

"Transferring Employees" shall mean those employees of the Sellers who are wholly or mainly assigned to work in the Business in the UK and whose names are listed in Section 8.4.

"Transitional Services Agreement" means a transitional services agreement to be executed and delivered by the Buyer, the Company and the Sellers substantially in the form set forth on Attachment B and initialed by the parties for the purposes of identification.

"UK Assets" has the meaning set forth in Section 2.4.

"VATA 1994" has the meaning set forth in Section 2.4(b).

"VAT Records" means the records required to be kept by a taxable person in accordance with regulation 31 of the Value Added Tax Regulations 1995/2518.

ARTICLE II.
SALE AND PURCHASE OF PURCHASED ASSETS

SECTION 2.1. Purchase and Sale.

(a) Except for the Excluded Assets, upon the terms and subject to the conditions of this Agreement and in consideration for the Purchase Price, the Sellers will sell, assign, transfer, convey and deliver to the Buyer, free and clear from all Encumbrances other than Permitted Encumbrances, and the Buyer will purchase, acquire and accept, on the Closing Date, all of the right, title and interest of the Sellers in and to the assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), wherever located that relate to, or are used or held for use by the Business (collectively, the "Purchased Assets"), including, without limitation, the following:

(i) any assets of the Business to the extent specifically included in the Balance Sheet (other than Accounts Receivables for which payment is received for Inventory which is sold prior to the Closing Date in the Ordinary Course) and any assets acquired or created by, or in respect of, the Business following the Balance Sheet Date;

(ii) all of the Sellers' right, title and interest in and to the Intellectual Property owned or controlled by the Sellers relating to the Business including without limitation those set forth in Schedule 2.1(a)(ii);

(iii) all Product Regulatory Documents including without limitation those set forth in Schedule 2.1(a)(iii), to the extent transferable or assignable to the Buyer;

(iv) all Accounts Receivables as at the Closing Date, and any claim, remedy or other right related to any of the foregoing;

(v) the Product Technical Information;

(vi) all outstanding customer purchase orders for the Products (the "Purchase Orders");

(vii) all rights of the Sellers under the Contracts;

(viii) the Leased Real Property;

(ix) all deposits, advances, prepaid expenses and other prepaid items relating to, or arising from the Business;

(x) books and records relating to the Business, including, but not limited to, (i) all books of account, financial and accounting records, inventory books and records, customer lists, price lists, distributor lists, sales material and records, customer purchasing histories, supplier lists, production data, quality control records and procedures, customer complaints and inquiry files, research, development and manufacturing files, records and data (including correspondence with Governmental Entities), and (ii) all information or documents relating to the Hired Employees and the Transferring Employees, but excluding the VAT Records (collectively, "Books and Records");

(xi) all equipment and other tangible property, owned, leased or held for use in connection with the Business, including fixtures, equipment, machinery, tools, office equipment, telecopiers, supplies, computers and any other physical or depreciable assets owned, leased or used in connection with the Business as set forth on Schedule 2.1(a)(xi) (collectively, "Equipment");

(xii) the Sellers' existing inventories of the Products (including raw materials, spare parts, works-in-progress, components, supplies, and finished product) (the "Inventory");

(xiii) all goodwill incident to, and the going concern value of, the Business;

(xiv) all advertising, marketing and other promotional materials used in connection with the Business;

(xv) all rights to causes of action, lawsuits, judgments, claims and demands of any nature whatsoever available or being pursued by the Sellers, whether arising by way of counterclaim or otherwise, arising out of or as and to the extent relating to the Business, other than as and to the extent relating to any Excluded Assets or Excluded Liabilities; and

(xvi) all rights in and under all express or implied guarantees, warranties, representations, covenants, indemnities and similar rights in favour of any Seller arising out of or as and to the extent relating to the Business, other than any such rights as and to the extent relating to any Excluded Assets or Excluded Liabilities.

(b) In the event any Accounts Receivables properly payable to the Buyer are paid to the Sellers by a debtor on or after the Closing Date, the Sellers shall receive the same as trustee for the Buyer and shall pay the same to the Buyer as soon as is reasonably practicable. Furthermore, the Sellers shall (at the cost of the Buyer) afford to the Buyer such assistance as the Buyer may reasonably require to recover the Accounts Receivables outstanding at Closing and shall pass on any trade enquiries relating to the Business which the Sellers receive.

(c) The Buyer acknowledges and agrees that the Sellers may, subject to the provisions of this Section 2.1(c), retain solely for purposes of complying with applicable law and for legal and regulatory purposes as a seller of medical instrumentation products, one or more copies of all or any part of the documentation that the Sellers deliver to the Buyer pursuant to Section 2.1. The copies will be retained by the Sellers' legal counsel and the Sellers agree to treat such copies as confidential information in accordance with the provisions of Section 7.7(a).

SECTION 2.2. Excluded Assets.

Notwithstanding the foregoing, the Purchased Assets shall not include the following assets (collectively, the "Excluded Assets"):

(a) the Sellers' corporate seals, organizational documents, minute books, stock books, Tax Returns, general ledger and other records having to do with the corporate organization of the Sellers (the "Excluded Books and Records");

(b) all right, title and interest in and to the equity interests or capital stock of any of the Sellers and OPKO Health;

(c) cash and cash equivalents;

(d) assets held by the Sellers which do not relate exclusively to the Business or the Products being those assets listed on Schedule 2.2(d);

(e) employment and other records required by law to be maintained by the Sellers including the VAT Records, provided that in such case, the Sellers shall provide copies of any such records which relate to the Business to the Buyer upon the request of the Buyer;

(f) Employee Benefit Plans for the Sellers' employees;

(g) rights in and to the Sellers' website and domain names, trademarks, service marks, trade dress, logos, trade names, and corporate names not specifically included on Schedule 2.1(a)(ii), together with all translations, adaptations, derivations, and combinations, applications, registrations, and renewals relating thereto;

(h) all of Sellers' rights and interests under the Excluded Contracts; and

(i) all of the Sellers' rights and interests under * Purchase Orders and the * Invoices.

SECTION 2.3. Assumption of Liabilities and Obligations.

(a) Assumed Liabilities. Except for Excluded Liabilities, the Sellers will on the Closing Date, sell, assign, transfer, convey and deliver to the Buyer and the Buyer will assume, be responsible for and pay, perform and/or otherwise discharge when due all Liabilities that arise out of, or are related to, the Purchased Assets and the Business, including without limitation, warranty and service obligations for all Products, irrespective of whether such Products were sold prior to or following the Closing Date (collectively, the "Assumed Liabilities").

(b) Excluded Liabilities. Notwithstanding the foregoing, the Buyer shall not assume or be responsible for any Liabilities of the Sellers or their Affiliates set forth below (the "Excluded Liabilities"):

(i) any Liabilities arising out of or relating to the fees, costs and expenses of the Sellers or their Affiliates incurred, or for which the Sellers or their Affiliates will be liable, in connection with the transactions contemplated by this Agreement and the other Transaction Documents, including all professional, accounting and consulting fees;

(ii) any Liabilities under or with respect to any Seller Employee Benefit Plan;

(iii) any Liability related to employment of any employee of the Sellers prior to, on or after the Closing Date, except (subject to (ix) below) with respect to Hired Employees on and after the Hire Date PROVIDED THAT this Section 2.3(b)(iii) does not apply to the Transferring Employees - the provisions of Appendix 1 will apply to them;

(iv) any Liability related to an Excluded Asset;

(v) any Liability arising out of or relating to any Tax of any Seller including but not limited to any Potential Successor Tax, including without limitation any Liability for any of such Taxes resulting from the transactions contemplated hereby or by the Transaction Documents (other

than any Taxes that are the responsibility of the Buyer pursuant to Section 2.4) and any Liability for any costs, fees or expenses incurred in preparing any return, or otherwise in dealing with any compliance obligation, in relation to any such Taxes;

(vi) any Liability in respect of, or relating to, professional fees due to * relating to the acquisition of OTI by OPKO Health in November 2007;

(vii) any Liability in respect of, or relating to, the breaches of service obligations to Nidek Co. Ltd. ("Nidek") under the services agreement between OTI, Nidek and Newport Corporation dated 29 December 2006 or otherwise under that agreement;

(viii) any Liability arising out of or relating to the Excluded Contracts;

(ix) any Liability arising out of, or relating to, the * Purchase Orders; or

(x) any Liability arising out of, or relating to, any action, claim, suit or proceeding against the Business that is commenced or, to the Sellers' Knowledge, threatened as of the Closing Date.

(c) The Company hereby unconditionally guarantees the full and prompt payment and performance of all of the Buyer's obligations hereunder, including without limitation the assumption of all the Assumed Liabilities.

SECTION 2.4. Transfer Taxes.

All transfer, sales, value added, stamp duty and similar Taxes payable in respect of the sale of the Purchased Assets under this Agreement will be paid by the Buyer. The following provisions shall apply with respect to any of the Purchased Assets the supply of which would, but for the provisions of article 5 of the Value Added Tax (Special Provisions) Order 1995, constitute a supply of goods or services where the place of supply is the United Kingdom ("UK Assets"):

(a) The Sellers and the Buyer intend that article 5 of the Value Added Tax (Special Provisions) Order 1995 shall apply to the sale of the UK Assets under this Agreement and agree to use all reasonable endeavours to secure that the sale is treated as neither a supply of goods nor a supply of services under that article.

(b) The Sellers warrant that each relevant Seller in respect of UK Assets is a taxable person for the purposes of section 3 of the Value Added Tax Act 1994 ("VATA 1994"), and is using the UK Assets to carry on a business as a going concern.

(c) The Sellers warrant that neither they, nor any relevant associate as that term is defined in paragraph 3 of Schedule 10 to VATA 1994, have opted to tax any Leased Real Property situated in the UK under paragraph 2 of Schedule 10 to VATA 1994 or made a real estate election under paragraph 21 of Schedule 10 to VATA 1994.

(d) If, nevertheless, any VAT is payable on the sale of UK Assets under this Agreement and HM Revenue & Customs has so confirmed in writing after full disclosure of all material facts, the relevant Sellers shall promptly deliver to the Buyer a proper VAT invoice in respect of the VAT payable. Following receipt of the VAT invoice, the Buyer shall pay the relevant Sellers the amount of that VAT within five business days.

(e) Before sending any relevant letter to HM Revenue & Customs, the relevant Sellers shall give the Buyer a reasonable opportunity to comment on it, and shall make such amendments as the Buyer reasonably requires.

(f) The relevant Sellers shall, on request, make available any information and documents in their control required to establish to HM Revenue & Customs and any tribunal or court that no liability, or a reduced liability, arises on the Buyer or any other company under section 44 of VATA 1994 as a result of the sale of the UK Assets.

(g) The Sellers and the Buyer intend that section 49 of VATA 1994 shall apply to the sale of the UK Assets under this Agreement but they do not intend to make a joint application to HM Revenue & Customs for the Buyer to be registered for VAT under the VAT registration number of the relevant Sellers, pursuant to Regulation 6(1)(d) of the VAT Regulations 1995.

(h) If the Buyer pays a Seller an amount in respect of VAT under Section 2.4(b) and HM Revenue & Customs notes that all or part of it was not properly chargeable, the relevant Seller shall repay the amount or relevant part of it to the Buyer. The relevant Seller shall make the repayment promptly after the ruling, unless it has already accounted to HM Revenue & Customs for the VAT.

(i) The Sellers shall retain their VAT Records for the period required by law and shall give the Buyer access to such records as reasonably required under the terms of section 49(5) of VATA 1994.

ARTICLE III.
PURCHASE PRICE

SECTION 3.1. Purchase Price.

In exchange for the Purchased Assets, the Buyer will pay and deliver to the Sellers at Closing an aggregate of US$17.5 million, to be paid in immediately available funds to an account designated by the Sellers (the "Cash Consideration").

SECTION 3.2. Royalty.

(a) Royalty on Sales. As additional consideration for the sale and transfer of the Purchased Assets from the Sellers to the Buyer, and subject to Section 3.2(b), the Buyer hereby agrees to pay to the Sellers within forty five days of the end of each calendar quarter during the Royalty Period (the "Royalty Payment Date"):

(i) a royalty of five percent (5%) on Net Sales of Products sold by the Company, the Buyer, their Affiliates, sublicensees, or distributors; and

(ii) a royalty of two and one half percent (2.5%) on Net Sales of the Company Products sold by the Company, the Buyer, their Affiliates, sublicensees or distributors.

(b) Royalty Term. The royalty obligation set forth in Section 3.2(a) above (the "Royalty") shall commence on the second anniversary of the Closing and terminate upon the date on which cumulative royalties actually paid to the Sellers pursuant to this Agreement reach an aggregate of US$22.5 million (the "Royalty Period"). For clarity the Buyer and the Sellers acknowledge and agree that no royalty shall accrue, be paid or payable based on sales occurring between the Closing Date and the second anniversary of Closing. The Cash Consideration and the Royalty are hereinafter collectively referred to as the "Purchase Price". Nothing shall oblige the Buyer to pay to the Sellers a sum greater than US$22.5 million under this Section 3.2.

(c) Withholding. To the extent any Royalty payable pursuant to Section 3.2(a) is paid to the Sellers by the Buyer, the Buyer shall not withhold Taxes on such Royalty payments except as required by law.

(d) Royalty Reporting. A statement showing how any amounts payable to the Sellers under Section 3.2(a) have been calculated shall be submitted to the Sellers during the Royalty Period on the Royalty Payment Date whether or not any Royalties are earned and due on such Royalty Payment Date.

SECTION 3.3. Transfer of Purchased Assets.

(a) One hundred percent (100%) of the Purchase Price shall be allocated to the assets of Instrumentation, which owns all of the Purchased Assets being conveyed. The parties acknowledge that the Buyer may after Closing transfer some of the Purchased Assets, in particular, the Intellectual Property, to the Company and nothing in this Agreement shall prejudice the Buyer's ability to do this nor the consideration which the Buyer and the Company decide is properly payable in connection therewith.

ARTICLE IV.
THE CLOSING

SECTION 4.1. Closing Date.

The closing of the sale and transfer of Purchased Assets (the "Closing") will take place at the offices of the Sellers, or at another place designated by the parties, on the first Business Day following the date on which all of the relevant conditions to each party's obligations under this Agreement have been satisfied or waived, or at such other time, date and/or place as mutually agreed to by the parties hereto (such date being referred to herein as the "Closing Date").

SECTION 4.2. Transactions to Be Effected at Closing.

(a) The Sellers will deliver or cause to be delivered to the Buyer each of the following items, in each case appropriately executed:

(i) this Agreement;

(ii) the Bill of Sale and Assignment and Assumption Agreement;

(iii) the Transitional Services Agreement;

(iv) the Lease Extension Agreement; and

(v) such other duly executed instruments of sale, transfer, conveyance and assignment and assumption as the Buyer may reasonably request ("Other Assignment Documents").

(b) The Buyer will deliver or cause to be delivered to the Sellers each of the following items, in each case appropriately executed:

(i) this Agreement;

(ii) the Cash Consideration;

(iii) the Bill of Sale and Assignment and Assumption Agreement;

(iv) the Transitional Services Agreement; and

(v) the Lease Extension Agreement.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF SELLERS

The Sellers hereby jointly and severally represent and warrant to the Buyer and the Company as of the date hereof and on Closing as set out in this Article V.

SECTION 5.1. Seller Organization; Good Standing.

Instrumentation is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware. OTI is a corporation duly organized, validly existing and in good standing under the laws of Ontario. OPKO Health is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. OTI UK is a private limited company duly organized, validly existing and in good standing under the laws of England and Wales. Each Seller has the requisite power and authority to own the Purchased Assets and to carry on its business as currently conducted.

SECTION 5.2. Authority; Execution and Delivery.

Each Seller has the requisite corporate power and authority to enter into this Agreement and the Transaction Documents and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the Transaction Documents by the Sellers and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement and the Transaction Documents have been duly executed and delivered by the Sellers and, assuming the due authorization, execution and delivery of this Agreement and the Transaction Documents by the Buyer, will constitute the legal, valid and binding obligation of

the Sellers, enforceable against them in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law.

SECTION 5.3. Consents; No Violation, Etc.

The execution and delivery of this Agreement and the Transaction Documents do not, and the consummation of the transactions contemplated hereby and the compliance with the terms hereof will not, (i) violate any Governmental Rule applicable to the Sellers, (ii) conflict with any provision of the certificate of incorporation, articles or organization or by-laws (or similar organizational document) of the Sellers, (iii) conflict with any Contract to which the Sellers are a party or by which they are otherwise bound, including any Contract related to any of the Products, or (iv) require any approval, authorization, consent, license, exemption, filing or registration with any court, arbitrator or Governmental Entity, except, with respect to the foregoing clauses (i) and (iii), for such violations or conflicts which would not result in a Material Adverse Change or materially interfere with the Sellers' performance of their obligations hereunder or, with respect to the foregoing clause (iv), for such approvals, authorizations, consents, licenses, exemptions, filings or registrations which have been obtained or made or which, if not obtained or made, would not result in a Material Adverse Change or materially interfere with the Sellers' performance of its obligations hereunder.

SECTION 5.4. Title to Purchased Assets.

(a) The Sellers have good and transferable title or a valid leasehold interest in all of the Purchased Assets free and clear of all Encumbrances, other than Permitted Encumbrances. At Closing, the Sellers will transfer to the Buyer good and valid title to all of the Purchased Assets owned by them and, with respect to the Leased Real Property and other assets leased by the Sellers, the Sellers shall assign to the Buyer good and valid leasehold interests in such Leased Real Property, in each case free and clear of any and all Encumbrances other than Permitted Encumbrances.

(b) Except as Disclosed, the Purchased Assets constitute all of the assets and properties considered by the Sellers to be necessary and sufficient to conduct the Business in all material respects as it is currently conducted.

(c) The rents payable in respect of the Leased Real Properties have been duly paid and the covenants and conditions in respect thereof have been duly performed and observed in all material respects and none of the Sellers have received any written notice of, nor to Sellers' Knowledge are there any circumstances giving rise to, any right of termination of any lease of the Leased Real Properties prior to the normal expiry thereof. There are no outstanding claims or disputes at the instance of Sellers or the landlords under any lease for the Leased Real Properties.

SECTION 5.5. Financial Statements and Balance Sheet.

(a) The Balance Sheet is complete and correct in all material respects, fairly presents in all material respects the financial condition of the Business as at the Balance Sheet Date and has been prepared in accordance with GAAP (subject to normal adjustments) and in conformity with the practices consistently applied by the Sellers without modification of the accounting principles used in the preparation thereof as at the date indicated.

(b) The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the books and records of the Sellers. The balance sheets included in the Financial Statements (including the related notes and schedules) fairly present in all material respects the consolidated financial position of the Business as of the date of such balance sheets, and the statements of income and cash flows included in the Financial Statements (including any related notes and schedules) fairly present in all material respects the consolidated results of operations and changes in cash flows, as the case may be, of the Business for the periods set forth therein, in each case in accordance with IFRS.

(c) There has been no change in any accounting policy, practice or procedure of the Sellers in the past three (3) years, except as required by applicable law or in accordance with GAAP.

(d) The Sellers maintain a system of internal controls over financial reporting which provides reasonable assurance regarding the reliability of their financial reporting and preparation of financial statements in accordance with GAAP.

SECTION 5.6. Absence of Certain Changes.

(a) Except as Disclosed, since December 31, 2010, the Sellers have conducted the Business only in the Ordinary Course or as contemplated by this Agreement and there has not been any Material Adverse Change or any change, event or development that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Change.

(b) Except as Disclosed, since December 31, 2010, each Seller has in respect of the Business:

(i) not engaged in any new line of business or made any commitment with respect to the Business or the Purchased Assets except those in the Ordinary Course;

(ii) duly and timely filed or cause to be filed all (i) reports required to be filed with any Governmental Entity, agency or authority and (ii) Tax Returns required to be filed with any Governmental Entity, agency or authority and promptly paid or caused to be paid when due all Taxes, assessments and governmental charges, including interest and penalties levied or assessed, unless diligently contested in good faith or an extension has been granted by appropriate proceedings;

(iii) paid or caused to be paid when due all Potential Successor Taxes, including interest and penalties levied or assessed;

(iv) not disposed of or permitted to lapse any right to the use of any of the Intellectual Property material to the conduct of the Business;

(v) not (i) sold any Purchased Asset, other than Inventory and finished and unfinished goods sold in the Ordinary Course; (ii) created, incurred or assumed any indebtedness secured by the Purchased Assets other than in the Ordinary Course; (iii) granted, created, incurred or suffered to exist any Encumbrance other than a Permitted Encumbrance on the Purchased Assets; (iv) incurred any liability or obligation (absolute, accrued or contingent) that would be an Assumed Liability except in the Ordinary Course; (v) written-off any guaranteed check, note or account receivable except in the Ordinary Course or unless in accordance with GAAP; (vi) written-down the value of any asset or investment (including any Purchased Asset) on the books and records of the Sellers, except (A) for depreciation and amortization in the Ordinary Course or (B) in accordance with GAAP; or (vii) cancelled any debt or waived any claim or right under any Contract that would be material to the operation of the Business except in the Ordinary Course;

(vi) not increased in any manner the base compensation of, accelerated the payment of any base compensation or bonus owed to, or entered into any new bonus or incentive agreement or arrangement with, any of its employees, independent contractors, officers, directors or consultants;

(vii) maintained in existing condition and repair (ordinary wear and tear excepted), consistent with past practices and the Sellers' obligations as tenants under the Leases, all buildings, offices, shops and other structures occupied by the Sellers and located on the Leased Real Property;

(viii) maintained suppliers and Inventory at levels that are consistent with the Ordinary Course;

(ix) performed in all material respects all of its obligations under all Contracts, and not materially defaulted or suffered to exist any event or condition that with notice or lapse of time or both is reasonably likely to constitute a material default under any Contract (except those being contested in good faith) and not entered into, assumed or amended any material Contract;

(x) maintained in full force and effect policies of insurance comparable in amount and scope of coverage to that maintained in prior periods;

(xi) continued to collect accounts receivable and pay trade accounts payable in the Ordinary Course and continued its billing practices in the Ordinary Course; and

(xii) not authorized, or committed or agreed to take, any of the prohibited actions in the foregoing clauses (i) through (xi).

SECTION 5.7. Litigation.

(a) Except as Disclosed, there is no suit, claim, action, investigation, arbitration or proceeding pending or, to the Knowledge of the Sellers, threatened against, relating to or involving any Seller, the Business or the Purchased Assets before any Governmental Entity or arbitrator. The Sellers are not subject to any judgment, decree, injunction, ruling or order of any court or arbitration panel naming the Sellers or the Purchased Assets.

SECTION 5.8. Legal and Regulatory Issues.

Except as Disclosed, since January 1, 2008, with respect to the Products, the Sellers have not received any warning letters or other written correspondence from the FDA or other similar regulatory bodies concerning the Products and there has not been a recall or market withdrawal of any Product by the Sellers, whether voluntary or involuntary nor do the Sellers have Knowledge of any such regulatory issues which may have occurred since January 1, 2008. The Sellers do not have any Knowledge of any regulatory issues which may have occurred within the last five years but prior to January 1, 2008, except for any such regulatory issues as shall not have had, and would not reasonably be expected to result in, a Material Adverse Change.

SECTION 5.9. Compliance with Applicable Laws.

Except as Disclosed, the Sellers are and have been at all times since January 1, 2008 in compliance with all laws and Governmental Rules that are material to the operation of the Business and applicable to them or the operation of the Business or the ownership (as applicable) or use of the Purchased Assets and the Leased Real Property. Except as Disclosed, since January 1, 2008, no Seller has received written notice from any Governmental Entity of, and the Sellers have no Knowledge of, any failure by the Sellers or the Business to comply with any Governmental Rules that are material to the operation of the Business. The Sellers do not have any Knowledge of any failure to comply with any Governmental Rules within the last five years but prior to January 1, 2008, except for any such failure as shall not have had, and would not reasonably be expected to result in, a Material Adverse Change.

SECTION 5.10. Tax Matters.

Taxes. (i) The Sellers have complied in all material respects with all laws relating to Taxes; (ii) all Tax Returns of the Sellers on which are required to be reported Potential Successor Taxes and which are due to have been filed through the date hereof (taking into account applicable extensions) in accordance with any applicable laws have been duly filed and are true, correct and complete in all material respects; (iii) all Potential Successor Taxes due and owing by the Sellers (whether or not shown on any Tax Return) have been paid in full; (iv) all deficiencies in Potential Successor Taxes asserted as a result of any examination of any Tax Return have been paid in full, accrued on the books of the Sellers, or finally settled; (v) no claims have been asserted and no proposals or deficiencies for any Potential Successor Taxes are being asserted, proposed or threatened, in writing; (vi) no claim has ever been made against any Seller

by any Governmental Entity in a jurisdiction where such Seller does not file Tax Returns on which are required to be reported Potential Successor Taxes, and where it has not paid Potential Successor Taxes, that such Seller is or may be subject to taxation with respect to Potential Successor Taxes; (vii) the Sellers have withheld and paid all material Potential Successor Taxes required to have been paid by the Sellers in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party; (viii) there are no outstanding waivers or agreements by any Seller for the extension of time for the assessment of any material Potential Successor Taxes or deficiency thereof; and (ix) there are no liens for Taxes on the Purchased Assets other than liens for Taxes which are not yet due and payable, nor are there any such liens which are pending or threatened.

SECTION 5.11. Real Property.

(a) The Sellers do not own any real property.

(b) Schedule 5.11(b) sets forth the address and legal description of each parcel of leased real property leased in connection with the Business (the "Leased Real Property"). The Sellers have delivered, or made available, to the Buyer a true and complete copy of each lease agreement for the Leased Real Property (the "Leases"). Each Lease is in full force and effect and constitutes a legal, valid and binding obligation of the respective parties thereto and will continue to be a legal, valid and binding obligation of the respective parties thereto following the Closing. With respect to each Lease and except as Disclosed, (i) neither the Sellers nor, to the Knowledge of the Sellers, any other party to any Lease is in breach or in default thereunder, and no event has occurred which, with notice or lapse of time (or both), would constitute such a breach or default thereunder, (ii) to the Knowledge of the Sellers, no other party to the Lease has repudiated, or threatened to repudiate, any provision thereof; and (iii) no consent of the landlords under any such lease or sublease is required as a result of the consummation of the transactions contemplated hereby.

SECTION 5.12. Intellectual Property.

(a) Schedule 2.1(a)(ii) identifies a true and complete list of (i) all of the material Intellectual Property owned or controlled by the Sellers and used in connection with the Business and (ii) all material license agreements and arrangements with respect to any of such Intellectual Property to which the Sellers are a party, whether as licensee, licensor or otherwise (other than non-exclusive end-user licenses for commercially available prepackaged computer software generally available to the public). The Sellers own and have good and exclusive title to, or have licenses (sufficient for the conduct of the Business as currently conducted) to, each item of Intellectual Property necessary for the operation of the Business, free and clear of all Encumbrances. Each item of Intellectual Property owned or used by the Sellers immediately prior to the Closing will be owned or available for use by the Buyer on substantially similar terms and conditions immediately after the Closing. Any and all registration, maintenance and/or renewal fees for any registered Intellectual Property listed in Schedule 2.1(a)(ii), due on or before Closing have been, or will be, paid in full prior to Closing.

(b) To the extent that any Intellectual Property has been developed or created by a third party for the Sellers or their Affiliates and is material to the operations of the Business as

currently conducted, to the Knowledge of the Sellers, the Sellers (i) have obtained ownership of and are the exclusive owners of, or (ii) have obtained a license (sufficient for the conduct of the Business as currently conducted and as proposed to be conducted) to all of such third party's Intellectual Property in such work, material or invention by operation of law or by valid assignment.

(c) To the Knowledge of the Sellers, Know How which is material to the Business as presently conducted has been documented or is otherwise within the knowledge of the employees identified on Schedule 5.14 to this Agreement.

(d) To the Sellers' Knowledge, any and all Confidential Information and Know How has been kept secret and confidential and has not been disclosed to any third parties except under a valid and enforceable obligation of confidentiality.

(e) To the Knowledge of the Sellers, the operation of the Business as it is currently conducted, including the Sellers' design, development, marketing and sale of the products or services of the Business (including with respect to products currently under development), does not infringe or misappropriate in any manner the Intellectual Property of any third party or, to the Knowledge of the Sellers, constitute unfair competition or trade practices under the laws of any jurisdiction.

(f) The Sellers have not received written notice from any third party, that the operation of the Business as it is currently conducted, or any act, product or service of the Business, materially infringes or misappropriates the Intellectual Property of any third party or constitutes unfair competition or trade practices under the laws of any jurisdiction in which the Business is currently conducted by the Sellers.

(g) To the Knowledge of the Sellers, no other Person has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Sellers. There are no pending or, to the Knowledge of the Sellers, threatened claims against the Sellers or their employees or independent contractors alleging that the Sellers' Intellectual Property infringes on or conflicts with the rights of any other Person.

SECTION 5.13. Contracts.

(a) Schedule 5.13 lists all Contracts to which the Sellers are a party and which are material to the Business or the Purchased Assets. The Sellers have delivered, or made available, to the Buyer a true, correct and complete copy of each contract or other agreement (as amended to date) listed in Schedule 5.13 (or a summary thereof in the case of an oral contract).

(b) Except as Disclosed, there are no Contracts that are material to the Business or the Purchased Assets and that are unlikely to have been fully performed in accordance with their terms within one year after the date each was entered into, are non-arm's length, and/or contain exclusivity undertakings in favour of the counterparty.

(c) The Sellers have not committed any material breach of, or material default under or repudiated, the terms of any Contract set forth in Schedule 5.13. To the Knowledge of the Sellers, no counterparty to any Contract set forth in Schedule 5.13 is in breach thereof, and no

event has occurred which, with notice or lapse of time (or both), would constitute a breach by any counterparty under any such Contract, nor has any counterparty repudiated, terminated or, to the Knowledge of the Sellers, threatened to repudiate or terminate any provision under any such Contract.

(d) Each Contract is a legal, valid and binding obligation of the Sellers, enforceable against the Sellers in accordance with its terms (except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, and subject to the limitations imposed by general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity).

SECTION 5.14. Employees.

(a) Schedule 5.14(a) is an accurate list of all current employees and independent contractors of the Sellers involved in the Business and their hourly rates of compensation, base salaries or other form of direct base compensation (as applicable). Schedule 5.14(a) also sets forth with respect to each employee of the Business their entitlement to any bonus or commission payments, the number of stock options which have been awarded to such employees, and their location of employment. The Sellers have complied in all material respects with all applicable laws relating to the hiring of employees and the employment of labor, including provisions thereof relating to immigration and citizenship, wages, hours, pay equity, equal opportunity, collective bargaining and the payment and withholding of social security and other Taxes. The Sellers have no Knowledge of any material labor relations problems (including, without limitation, any union organization activities, threatened or actual strikes or work stoppages or material grievances).

(b) Except as Disclosed, (i) the Sellers are not delinquent in payments to any of their respective employees or independent contractors for any wages, salaries, commissions, bonuses or other direct compensation for any services performed by them to date or amounts required to be reimbursed to such employees or independent contractors, (ii) there is no unfair labor practice complaint against the Sellers pending before the National Labor Relations Board or any other Governmental Entity, or, to the Knowledge of the Sellers, threatened against the Sellers, (iii) there is no labor strike, material dispute, slowdown or stoppage actually pending or, to the Knowledge of the Sellers, threatened against or involving the Sellers, (iv) no labor union currently represents or has represented the employees of the Sellers, (v) to the Knowledge of the Sellers, no labor union has taken any action with respect to organizing the employees of the Sellers, and (vi) no material grievance nor any arbitration proceeding arising out of or under collective bargaining agreements is pending and no claim thereto has been asserted against the Sellers. The Sellers are not a party to or bound by any collective bargaining agreement, union contract or similar agreement.

(c) Except as Disclosed, neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (i) result in any payment (including, without limitation, severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due from the Sellers to any director or employee of the Sellers from the Sellers, under any Employee Benefit Plan or otherwise; (ii) increase any benefits otherwise payable by the Sellers under any Employee Benefit Plan or otherwise; or (iii) result in the acceleration of the time of payment or vesting of any such benefits.

(d) The Transferring Employees are all the employees of the Sellers in the UK who work wholly or mainly in the Business.

(e) No offer of employment has been made to any person that has not been accepted and remains open for acceptance as at the date of this Agreement or that has been accepted but the employment has not yet started.

(f) The Sellers have Disclosed the full terms and conditions of employment of the Transferring Employees and copies of all workplace policies, procedures and staff handbooks which apply to the Transferring Employees, including a copy of the disciplinary and grievance procedures.

(g) All contracts of the Transferring Employees can be terminated without payment of damages or compensation (other than statutory compensation) on three months' notice or less given at any time.

(h) Except as Disclosed, no proposals have been made to the Transferring Employees or any representative on their behalf (formally or informally) to introduce, increase or otherwise vary any of the foregoing terms and conditions, including remuneration and benefits, and the Sellers are under no contractual obligation so to do.

(i) In respect of each of the Transferring Employees, each of the Sellers have fully complied with its obligations under regulation 13 of the Employment Regulations to inform and consult with trade unions or other employee representatives on any matter concerning or arising from the transaction undertaken by the Agreement or affecting the Transferring Employees.

(j) No Transferring Employee is receiving or is due to receive payment under any sickness, permanent health insurance or disability schemes and there are no pending claims for such payments.

(k) No Transferring Employee has been absent from work for 21 working days or more in any six month period in the last three years, on account of injury, ill-health or any other reason (other than pre-arranged holidays), whether or not the days of absence have been consecutive.

(l) All Transferring Employees are entitled to work in the United Kingdom.

(m) The Sellers have not dismissed any employee in connection with the sale of the Business.

SECTION 5.15. Environmental, Health, and Safety Matters.

(a) The Sellers possess all material Product Regulatory Documents, permits and approvals required for the operation of the Business and, to the Knowledge of the Sellers, the Sellers are in material compliance with Governmental Rules relating to environmental, health, and safety requirements ("Environmental Laws"), and no Liability has arisen under such Environmental Laws.

(b) Since January 1, 2008, the Sellers have not received any written notice, information request, report or other information regarding any actual or alleged violation of Environmental Laws, or any material Liabilities, including any investigatory, remedial or corrective obligations, relating to the Sellers or the Leased Real Property arising under Environmental Laws. No action is pending or, to the Knowledge of the Sellers, threatened against the Sellers alleging violations of, or Liabilities arising under Environmental Laws.

SECTION 5.16. Affiliate Transactions.

Other than as Disclosed, no current or former officer, director, shareholder, partner or, to the Sellers' Knowledge, employee of the Sellers, or any of their respective Affiliates, or any individual related by blood, marriage or adoption to any such individual, or any entity in which any such Person or individual owns any beneficial interest, (i) is now a party to any agreement, contract, commitment or transaction with the Sellers (other than at-will employment arrangements) or has any material interest in any property used by the Sellers in connection with the Business or the Purchased Assets, (ii) is now the direct or indirect owner of an interest in any Person that is a present or potential competitor, supplier or customer of the Sellers or (iii) receives income from any source which should properly accrue to the Sellers. The Sellers are not a guarantor or otherwise liable for any actual or potential Liability, whether direct or indirect, of any of its Affiliates.

SECTION 5.17. Liabilities.

Except as Disclosed, to the Sellers' Knowledge, the Sellers do not have any Liability relating to the Business, other than Liabilities reflected, reserved against or otherwise specified in the Balance Sheet or incurred in respect of the Business in the Ordinary Course between the Balance Sheet Date and the Closing Date.

SECTION 5.18. Inventory.

The Inventory is merchantable and of a quality and quantity usable or saleable in the Ordinary Course, subject to the write-downs for slow-moving and obsolete inventory in the Ordinary Course. The inventory of the Sellers is carried on the books and records of the Sellers in accordance with GAAP applied consistently.

SECTION 5.19. Receivables.

Except as Disclosed, all of the Accounts Receivables of the Sellers relating to the Business represent accounts receivable that have arisen in the Ordinary Course. Except as Disclosed, the Accounts Receivable (i) are not subject to any valid counterclaims or setoffs other than credits, returns and allowances in the Ordinary Course, and (ii) resulted from a bona fide sale or license to a customer in the Ordinary Course.

SECTION 5.20. No Brokers.

The Sellers have not entered into any agreement, arrangement or understanding with any Person or firm which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

SECTION 5.21. Exclusive Representations and Warranties.

Other than the representations and warranties set forth in this Article V, the Sellers are not making any other representations or warranties, express or implied, with respect to the Products, the Purchased Assets, the Business or any other matter, including but not limited to any warranty of merchantability or fitness for a particular purpose or infringement of third party rights, and all such warranties are disclaimed.

SECTION 5.22. Circular.

To the Knowledge of the Sellers, the information relating to the Business set out in the Circular does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements or facts contained therein not misleading.

ARTICLE VI.
REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Sellers as of the date hereof and on Closing as follows:

SECTION 6.1. Organization; Good Standing.

Each of the Company and the Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization. Each of the Company and the Buyer has all requisite corporate power and authority to carry on its business as it is currently being conducted. Each of the Company and the Buyer is duly qualified to conduct business as a foreign corporation and is in good standing in every jurisdiction where the nature of the business conducted by it makes such qualification necessary, except where the failure to so qualify or be in good standing would not prevent or materially delay the consummation of the transactions contemplated hereby.

SECTION 6.2. Authority; Execution and Delivery.

Each of the Company and the Buyer has the requisite corporate power and authority to enter into this Agreement and the Transaction Documents and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the Transaction Documents by the Company and the Buyer and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement has been duly executed and delivered by the Buyer and the Company and, assuming the due authorization, execution and delivery of this Agreement by the Sellers, constitutes the legal, valid and binding obligation of the Buyer and the Company, enforceable against the Buyer and the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization,

moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law.

SECTION 6.3. Consents; No Violations, etc.

The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby and the compliance with the terms hereof will not, (i) violate any Governmental Rule applicable to either the Company or the Buyer, (ii) conflict with any provision of the certificate of incorporation or by-laws of either the Company or the Buyer, (iii) conflict with any contract to which either the Company or the Buyer is a party or by which it is otherwise bound or (iv) except in respect of the approval of the Circular by the UK Listing Authority, require any approval, authorization, consent, license, exemption, filing or registration with any court, arbitrator or Governmental Entity, except with respect to the foregoing clauses (i) and (iii), for such violations or conflicts which would not materially interfere with either the Company's or the Buyer's performance of its obligations hereunder or result in a Material Adverse Change to the Buyer's or the Company's business, with respect to the foregoing clause (iv), for such approvals, authorizations, consents, licenses, exemptions, filings or registrations which have been obtained or made or which, if not obtained or made, would not materially interfere with either the Company's or the Buyer's performance of its obligations hereunder or result in a Material Adverse Change to the Buyer's or the Company's business.

SECTION 6.4. No Brokers.

Neither the Company nor the Buyer has entered into any agreement, arrangement or understanding with any Person or firm which will result in the obligation to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

SECTION 6.5. Financing.

The Buyer will have sufficient funds to pay the Cash Consideration and all other amounts payable by the Buyer under this Agreement at Closing.

SECTION 6.6. Exclusive Representations and Warranties.

Other than the representations and warranties set forth in this Article VI, the Buyer is not making any other representations or warranties, express or implied with respect to itself or the Company or any other matter whatsoever.

ARTICLE VII.
CERTAIN COVENANTS AND AGREEMENTS OF SELLERS

SECTION 7.1. Operation of Business.

(a) From and after the date of this Agreement and up until Closing, each of the Sellers shall, except as expressly required by this Agreement and except as otherwise consented to in advance in writing by the Buyer, which such consent shall not be unreasonably withheld or delayed:

(i) conduct the Business in the Ordinary Course and not engage in any new line of business or make any commitment with respect to the Business or the Purchased Assets except those in the Ordinary Course and not otherwise prohibited under this Section 7.1;

(ii) use reasonable efforts to (i) preserve intact the goodwill and business organization of such Seller and (ii) preserve the relationships and goodwill of such Seller with customers, distributors, suppliers and employees of such Seller;

(iii) duly and timely file or cause to be filed all (i) reports required to be filed with any Governmental Entity, agency or authority and (ii) Tax Returns required to be filed with any Governmental Entity, agency or authority and promptly pay or cause to be paid when due all Taxes, assessments and governmental charges, including interest and penalties levied or assessed, unless diligently contested in good faith or an extension has been granted by appropriate proceedings;

(iv) maintain in existing condition and repair (ordinary wear and tear excepted), consistent with past practices and the Sellers' obligations as tenants under the Leases, all buildings, offices, shops and other structures occupied by the Sellers and located on the Leased Real Property;

(v) not dispose of or permit to lapse any right to the use of any of the Intellectual Property material to the conduct of the Business;

(vi) maintain, and not permit to lapse, each Product Regulatory Document held by such Seller as of the date hereof material to the operation of the Business;

(vii) not (i) sell any Purchased Asset, other than Inventory and finished and unfinished goods sold in the Ordinary Course, (ii) create, incur or assume any indebtedness secured by the Purchased Assets other than in the Ordinary Course, (iii) grant, create, incur or suffer to exist any Encumbrance other than a Permitted Encumbrance on the Purchased Assets, (iv) incur any liability or obligation (absolute, accrued or contingent) that would be an Assumed Liability except in the Ordinary Course, (v) write-off any guaranteed check, note or account receivable except in the Ordinary Course or unless in accordance with GAAP, (vi) write-down the value of any Purchased Asset except (A) for depreciation and amortization in the Ordinary Course or (B) in accordance with GAAP, (vii) cancel any debt or waive any claim or right under any Contract that would be material to the operation of the Business except in the Ordinary Course, or (viii) make any commitment for any capital expenditure in excess of US$100,000;

(viii) not increase in any manner the base compensation of, accelerate the payment of any base compensation or bonus owed to, or enter into any new bonus or incentive agreement or arrangement with, any of its employees, independent contractors, officers, directors or consultants, except as required by applicable law;

(ix) not enter into any collective bargaining agreement;

(x) maintain supplies and Inventory at levels that are consistent with seasonal demand and in the Ordinary Course;

(xi) continue to collect accounts receivable and pay trade accounts payable in the Ordinary Course and continue its billing practices in the Ordinary Course;

(xii) perform in all material respects all of its obligations under all Contracts, and not materially default or suffer to exist any event or condition that with notice or lapse of time or both could constitute a material default under any Contract (except those being contested in good faith) and not enter into, assume or amend any material Contract;

(xiii) maintain in full force and effect policies of insurance comparable in amount and scope of coverage to that now maintained by or on behalf of the Sellers;

(xiv) continue to maintain its books and records in accordance with GAAP consistently applied and on a basis consistent with past practice; and

(xv) not authorize, or commit or agree to take, any of the prohibited actions in the foregoing clauses (i) through (xiv).

(b) Nothing contained in this Agreement shall be construed to give to the Buyer, directly or indirectly, rights to control or direct the Sellers' operations prior to the Closing. Prior to the Closing, the Sellers shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of the operations of the Business.

SECTION 7.2. Full Access.

From and after the date of this Agreement and through to Closing, the Sellers shall permit representatives of the Buyer and the Company (including legal counsel and accountants) to have access at reasonable times upon reasonable advance written notice, and in a manner so as not to interfere with the normal business operations of the Sellers, to premises, properties, personnel, books, records, contracts, and documents of or pertaining to the Business. The Buyer and the Company will treat and hold as such any confidential information it receives from any of the Sellers in the course of the reviews contemplated by this Section 7.2, will not use any of the

confidential information except in connection with this Agreement, and, if this Agreement is terminated for any reason whatsoever, will return to the Sellers (or destroy, if requested by the Sellers, and provide documentation thereof) all tangible embodiments (and all copies) of the confidential information (including, without limitation, all summaries, reports and analyses derived therefrom (excluding such summaries, reports and analyses derived by the Buyer's or the Company's third party consultants)) that are in its possession. The Buyer or the Company may meet with or otherwise contact the Hired Employees and the Transferring Employees as agreed between the Buyer and the Sellers. Other than as previously set out in this section, the Buyer will not contact any vendor, customer, supplier, distributor, or employee of the Sellers prior to the Closing Date without the prior written consent of Instrumentation, which consent, for the avoidance of doubt, may be provided by email exchange between the Buyer and the Sellers, and shall not be unreasonably delayed or withheld.

SECTION 7.3. Post-Closing Orders and Payments.

From and after 12:01 A.M. (Eastern Daylight Time) on the day immediately following the Closing Date, the Sellers shall hold all payments received by the Sellers from third parties for Products purchased by the third parties on trust for the Buyer and shall promptly deliver to the Buyer any payments received by the Sellers and refer all inquiries it receives with respect to the Products to the Buyer.

SECTION 7.4. Further Actions.

(a) From and after the date of this Agreement and through to Closing, the Sellers will use reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper and advisable, and assist and cooperate with the other parties in doing all things necessary proper or advisable, to ensure that the conditions set forth in Article IX are consummated and made effective, in the most expeditious manner practicable including (i) obtaining all necessary actions or non-actions, waivers, consents and approvals from Governmental Entities and making all necessary registrations and filings and taking all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Entity, (ii) obtaining all consents, approvals or waivers from, or taking other actions with respect to, third parties necessary or advisable to be obtained or taken in connection with the transactions contemplated by this Agreement; and (iii) executing and delivering any additional instruments necessary to consummate the transactions contemplated hereby, and to fully carry out the purposes of this Agreement.

SECTION 7.5. Notice of Developments

From and after the date of this Agreement and through to Closing, the Sellers will give prompt written notice to the Buyer of:

(a) any change or event that, individually or in the aggregate, has had or could reasonably be expected to result in a Material Adverse Change or otherwise result in any representation or warranty of the Sellers under this Agreement being inaccurate in any material respect;

(b) any breach by the Sellers of the terms and conditions of this Agreement;

(c) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(d) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement;

(e) any action, suit, claim, investigation or proceeding commenced or, to the Knowledge of the Sellers, threatened against, relating to or involving or otherwise affecting the Sellers or the Business that relates to the consummation of the transactions contemplated by this Agreement; and

(f) the damage or destruction by fire or other casualty of any Purchased Asset or part thereof or in the event that any Purchased Asset or part thereof becomes the subject of any proceeding by a Governmental Entity.

SECTION 7.6. Assignment of Contracts, Rights, Etc.

Anything contained in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement or attempted agreement to transfer, sublease or assign any Contract, or right with respect to any benefit arising thereunder or resulting therefrom, or any permit, if an attempted transfer, sublease or assignment thereof, without the required consent of any other party thereto, would constitute a breach thereof or in any way adversely affect the rights of the Buyer thereunder. The Sellers shall use commercially reasonable efforts to obtain the consent of any such third party to any of the foregoing to the transfer or assignment thereof to the Buyer in all cases in which such consent is required for such transfer or assignment. If such consent is not obtained, the Sellers shall cooperate in any reasonable and lawful arrangements designed to provide for the Buyer the benefits thereunder.

SECTION 7.7. Confidentiality and Protection of Goodwill.

(a) For the purpose of assuring to the Buyer, the Company and their successors in title the full benefit and value of the Business and goodwill incidental to the Business and in further consideration of the agreement of the Buyer to purchase the Purchased Assets on the terms hereof, the Sellers and OPKO Health each hereby undertake to the Buyer and the Company that:

(i) it shall (and it shall procure that each of its Affiliates will) keep confidential and shall not reveal to any person or, through any failure to exercise all due care and diligence, cause any unauthorized disclosure of any confidential information concerning the organization, business, finances, transactions, Know How, Intellectual Property, or affairs of the Business or any information of a confidential or proprietary nature belonging to any third party which is in the custody or control of the Business under an obligation (whether written or implied) of confidentiality (hereinafter in this Section 7.7 called "Confidential Information").

(ii) it shall not use or attempt to use any such Confidential Information in any manner which may reasonably be expected to injure or cause loss directly or indirectly to the Buyer or the Company or may be likely to do so; and

(iii) it shall do nothing to harm the Business and the goodwill incidental to the Business.

(b) The foregoing undertakings are in addition to and without prejudice to any other duty of confidentiality owed by the Sellers to the Buyer or the Company in any capacity.

(c) The undertakings contained in Section 7.7(a) shall cease to apply to information which the parties agree in writing is not confidential, or which comes into the public domain otherwise than through breach of the provisions of this Agreement by the Sellers or OPKO Health. Nothing in Section 7.7 shall prevent the Sellers or OPKO Health from disclosing Confidential Information which is required to be disclosed by law or for the purposes of any judicial proceedings or by any taxation authority or by the rules of any stock exchange or regulatory authority, whether or not having the force of law, to such party as has required such disclosure. Nothing in this Section 7.7 shall prevent the Sellers or OPKO Health from disclosing such Confidential Information to its professional advisers as is reasonably necessary to obtain advice on the transactions contemplated by this Agreement.

(d) The Sellers and OPKO Health shall not (and shall procure that no Affiliate will), save as previously agreed in writing with the Buyer, either on its own account or in conjunction with others, in any capacity whatsoever (including, but without limitation, acting as a consultant, agent or manager) and whether directly or indirectly and whether with a view to profit or otherwise:

(i) during the Restricted Period, establish, develop, carry on or assist in establishing, developing or carrying on, or be engaged, concerned, interested in or employed by, any business, enterprise or venture competing to a material extent with the Business as such Business is carried on at the Closing Date within the United States, Canada or United Kingdom (hereinafter in this Section called the "Restricted Area"). However, nothing in this Section 7.7(d) shall prevent the Sellers or OPKO Health (or any Affiliate) from purchasing, holding or from being beneficially interested in the shares of not more than five (5)% of any class of shares or securities of any company provided that the Sellers or OPKO Health (or the relevant Affiliate) is not entitled or able to exercise, directly or indirectly, management functions or material influence over such company; or

(ii) during the Restricted Period solicit, canvass or entice away (or endeavor to solicit, canvass or entice away) from the Business any person, firm or company who was at any time during the period of one year immediately

preceding the Closing Date a customer of or supplier to the Business for the purpose of offering to such customer or obtaining from such supplier goods or services similar to or materially competing with those of the Business; or

(iii) during the Restricted Period solicit, canvass or entice away (or endeavor to solicit, canvass or entice away) any of the Hired Employees or the Transferring Employees for the purposes of employment of such Hired Employees or Transferring Employees by any other person in an enterprise or venture competing to a material extent with the Business and whether or not such person would commit a breach of contract by reason of leaving service.

(e) The Sellers and OPKO Health each hereby acknowledge and agree that the undertakings contained in Sections 7.7(a)(i), (ii) and (iii) constitute entirely separate and independent undertakings on it which are reasonable in the circumstances of this Agreement and agrees that if one or more is held to be invalid as an unreasonable restraint of trade or for any other reason then the remaining undertakings shall remain valid and in so far as any such restriction would be void as stated but would be valid if the period of application were reduced or if some part of the undertaking were deleted, the undertaking in question shall apply with such modification as may be necessary to make it valid and effective and the Sellers and OPKO Health each agree to execute any further undertaking in such modified terms if requested to do so by the Buyer.

(f) The Sellers and OPKO Health acknowledge that any breach of the undertakings in this Section 7.7 may cause the Buyer or the Company irreparable injury and that monetary damages alone will not be an adequate remedy for any such breach. In the event of a breach or threatened breach of the said undertakings, the Sellers and OPKO Health each agree that the Buyer's and the Company's remedies shall include injunctive relief restraining the Sellers and OPKO Health from breaching the undertakings.

SECTION 7.8. Guarantee.

In consideration of the matters described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, OPKO Health hereby unconditionally guarantees the due and punctual performance of each of the obligations and undertakings of the Sellers under this Agreement when and to the extent the same are required to be performed and subject to the terms and conditions hereof.

ARTICLE VIII.
CERTAIN COVENANTS AND AGREEMENTS OF THE BUYER AND THE COMPANY

SECTION 8.1. Shareholder Meeting.

(a) The Company, acting through the Company's Board of Directors, will as promptly as practicable, but in any event, within two Business Days following the date of this Agreement and in consultation with the Sellers duly call and give notice of a general meeting of

the Company's shareholders for the purpose of considering and approving the transactions contemplated by this Agreement (the "Company Shareholders Meeting") and shall, subject to any valid exercise of the rights of the Company Shareholders to the contrary, hold the Company Shareholders Meeting on the date specified in the notice of the Company Shareholders Meeting, which shall be no more than [20] days from the date the notice of the meeting is given.

SECTION 8.2. In connection with convening the Company Shareholders Meeting in accordance with Section 8.1(a), the Company will distribute a circular to the Company's shareholders (the "Circular") following approval of the Circular by the UK Listing Authority. The Company and the Sellers will cooperate and consult with each other, their respective counsel and accountants, in the preparation of the Circular. The Company shall (i) include in the Circular the recommendation of the Company's Board of Directors that the Company's shareholders vote in favour of the approval of the transactions contemplated by this Agreement (the "Recommendation"); (ii) use all commercially reasonable efforts to obtain the affirmative vote of the Company's shareholders holding the requisite majority of issued shares of the Company entitled to vote at the Company Shareholders Meeting (the "Requisite Shareholder Vote"); and (iii) procure that each director of the Company, subject to his or her duties to the Company as a director, recommends and continues to recommend to the Company's shareholders the passing of the resolution proposed at the Company Shareholders Meeting and shall use his or her votes, in respect of shares in the Company owned by him or her, to vote in favour of such resolution.

SECTION 8.3. Books and Records.

(a) For a period of seven years from and after the Closing Date, the Buyer will preserve all books and records included within the Purchased Assets and will make such books and records available for inspection and copying by the Sellers or its agents upon reasonable request and upon reasonable notice to confirm compliance with this Agreement, at the Sellers' expense.

(b) The Sellers shall have the right to appoint an independent public accounting firm reasonably acceptable to the Buyer to audit the records of the Buyer as necessary to verify all Royalty payments payable pursuant to this Agreement. Such records shall be open for examination for a period of at least five years following the end of the calendar quarter to which they pertain. If a deficiency with regard to any payment hereunder is determined by such accounting firm (such determination to be final and binding upon all parties), the Buyer shall pay any deficiency within thirty (30) days of receiving notice thereof along with interest at the rate of 1.5% per month. If a payment deficiency for a calendar year exceeds US$25,000 or five percent (5%) of the payments paid for that year, whichever is less, then the Buyer shall be responsible for paying the Sellers' reasonable and documented out-of-pocket expenses incurred with respect to such review/audit. The Sellers may exercise their right of audit no more frequently than once in any calendar year. The accounting firm shall disclose to the Sellers only information relating to the accuracy of the Royalty payments.

SECTION 8.4. Employees.

(a) Schedule 5.14(a) sets forth a true and complete list of each employee of the Sellers relating to the Business. The Buyer or the Company (as applicable) agree to offer

employment (on an at-will basis) to such employees who continue to be employed by the Sellers as at the Closing Date, such employment to be on the same or substantially similar terms to the employees' current terms (to the extent such terms have been Disclosed and other than in connection with any Employee Benefit Plan) to be effective as of the Closing Date (or, in the case of employees who are on disability or leave of absence, including military leave, effective on the date they are removed from disability status or return from leave) ("Hire Date"). All such employees who accept employment with the Buyer or the Company (as applicable) will become employees of the Buyer or the Company effective as of the Hire Date (each a "Hired Employee"). Employees who do not accept employment with the Buyer or the Company will not become employees of the Buyer or the Company.

(b) The provisions of Section 8.4(a) apply only to those employees based in the US and Canada. The transfer of employment of the Transferring Employees will be dealt with in accordance with Appendix 1.

(c) The Buyer and the Company agree to offer the Hired Employees and the Transferring Employees retention payments in the amount and on the basis set out in Attachment C.

SECTION 8.5. Bulk Transfer Laws.

The Buyer and the Company hereby waive compliance by the Sellers with the provisions of any so-called "bulk transfer law" of any jurisdiction in connection with the sale of the Purchased Assets to the Buyer and the Company and releases the Sellers from any Liabilities in connection therewith as the Buyer and the Company are assuming all Liabilities not specifically excluded.

SECTION 8.6. Response to Inquiries and Products Complaints.

Without prejudice to any claims by the Buyer or the Company under the representations and warranties of the Sellers set out in this Agreement, or otherwise under this Agreement, after the Closing the Buyer will assume all responsibility for responding to any Product inquiries or complaints about the Products, including any and all service, warranty, and repair obligations.

SECTION 8.7. Further Actions.

From and after the date of this Agreement and through to Closing, the Buyer will use reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper and advisable, and assist and cooperate with the other parties in doing all things necessary proper or advisable, to ensure that the conditions set forth in Article IX are consummated and made effective, in the most expeditious manner practicable, the transactions contemplated hereby, including (i) obtaining all necessary actions or non-actions, waivers, consents and approvals from Governmental Entities and making all necessary registrations and filings and taking all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Entity, (ii) obtaining all consents, approvals or waivers from, or taking other actions with respect to, third parties necessary or advisable to be obtained or taken in connection with the transactions contemplated by this Agreement; and (iii) executing and delivering any additional instruments necessary to consummate the transactions contemplated hereby, and to fully carry out the purposes of this Agreement.

SECTION 8.8. Notice of Developments.

From and after the date of this Agreement and through to Closing, the Buyer will give prompt written notice to the Sellers of:

(a) any change or event that, individually or in the aggregate, has had or could reasonably be expected to result in a Material Adverse Change or otherwise result in any representation or warranty of the Buyer under this Agreement being inaccurate in any material respect;

(b) any breach by the Buyer of the terms and conditions of this Agreement;

(c) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(d) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement; and

(e) any action, suit, claim, investigation or proceeding commenced or, to the Knowledge of the Buyer, threatened against, relating to or involving or otherwise affecting the Buyer that relates to the consummation of the transactions contemplated by this Agreement.

ARTICLE IX.
CONDITIONS

SECTION 9.1. Conditions to Obligations of the Buyer.

The obligations of the Buyer to purchase the Purchased Assets being sold on the Closing Date and to assume the related Assumed Liabilities is subject to the satisfaction on and as of the Closing Date of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Sellers set forth in this Agreement will be true and correct in all material respects (other than representations and warranties that contain materiality qualifications, which shall be true and correct in all respects) as of the date of this Agreement and the Closing Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties will be true and correct as of such earlier date) and except where the failure of such representations and warranties to be so true and correct has not had, and would not reasonably be expected to have, a Material Adverse Change on the Business.

(b) Performance of Obligations of Sellers. The Sellers will have performed or complied in all material respects with all obligations, conditions and covenants required to be performed by them under this Agreement or the Transaction Documents at or prior to the Closing Date.

(c) No Litigation, Injunctions, or Restraints. No temporary restraining order, preliminary or permanent injunction or other legal restraint or prohibition preventing the consummation of the transactions contemplated by this Agreement will be threatened or in effect.

(d) Deliveries. The Sellers will have duly executed and delivered to the Buyer, dated as of the Closing Date, the documents referred to in Section 4.2(a).

(e) No Material Adverse Change. Since the date of this Agreement, there shall have been no Material Adverse Change suffered by the Business.

(f) Shareholder Vote. The Company having obtained the Requisite Shareholder Vote.

SECTION 9.2. Conditions to the Obligations of Sellers.

The obligations of the Sellers to sell, assign, convey, and deliver the Purchased Assets being sold on the Closing Date to the Buyer are subject to the satisfaction on and as of the Closing Date of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Buyer set forth in this Agreement will be true and correct in all material respects (other than representations and warranties that contain materiality qualifications, which shall be true and correct in all respects) as of the date of this Agreement and the Closing Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties will be true and correct as of such earlier date) and except where the failure of such representations and warranties to be so true and correct has not had, and would not reasonably be expected to have, a Material Adverse Change on the Buyer.

(b) Performance of Obligations of the Buyer. The Buyer will have each performed in all material respects all obligations required to be performed by it under this Agreement or the Transaction Documents at or prior to the Closing Date.

(c) No Litigation, Injunctions, or Restraints. No temporary restraining order, preliminary or permanent injunction or other legal restraint or prohibition preventing the consummation of the transactions contemplated by this Agreement will be threatened or in effect.

(d) Deliveries. The Buyer will have duly executed and delivered to the Sellers, dated as of the Closing Date, in each case appropriately executed, the documents referred to in Section 4.2(b).

(e) No Material Adverse Change. Since the date of this Agreement, there shall have been no Material Adverse Change suffered by the Buyer.

ARTICLE X.
TERMINATION, AMENDMENT AND WAIVER

SECTION 10.1. Termination.

(a) Notwithstanding anything to the contrary in this Agreement, this Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(i) by mutual written consent of the Sellers, on the one hand, and the Buyer, on the other hand;

(ii) by the Buyer if the conditions under Section 9.1 have not been met and Closing has not occurred prior to November 30, 2011 (the "Long Stop Date"), and by the Sellers if the conditions under Section 9.2 have not been met and Closing has not occurred prior to the Long Stop Date, provided the failure of the Closing to occur by such date is not the result of the party seeking to terminate this Agreement to perform or fulfill any of its obligations hereunder;

(iii) by the Sellers or the Buyer if the Company fails to obtain the Requisite Shareholder Vote at the Company Shareholders Meeting or any adjournment thereof;

(iv) by the Sellers if the Buyer commits a material breach of any obligation, condition or covenant contained in this Agreement or the Transaction Documents that is incapable of remedy prior to the Long Stop Date;

(v) by the Buyer if the Sellers commit a material breach of any obligation, condition or covenant contained in this Agreement or the Transaction Documents that is incapable of remedy prior to the Long Stop Date;

(vi) by the Sellers, if (i) the Board of Directors of the Company or any committee thereof shall have failed to recommend to the Company's shareholders that they approve the transaction contemplated by this Agreement or otherwise comply with Sections 8.1 and 8.2, (ii) the Board of Directors of the Company or any committee thereof shall have recommended that the Company's shareholders vote against the transaction contemplated by this Agreement, or (iii) the Board of Directors of the Company or any committee thereof takes or determines to take any of the foregoing actions.

(b) Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, written notice thereof shall promptly be given by the party electing such termination to the other party and this Agreement shall terminate without further actions by the parties and no party shall have any further obligations under this Agreement except as provided in Section 10.1(c) below, and further provided that any termination of this Agreement pursuant to this Section shall not relieve any party from any liability for the breach of any representation, warranty or covenant contained in this Agreement prior to the date of termination or be deemed to constitute a waiver of any remedy available for such breach.

(c) Non-fulfillment of Conditions. In recognition of the Sellers expending considerable time, resource and effort in connection with the transactions contemplated hereby, in the event that the Sellers terminate the Agreement under Sections 10.1(a)(iii), (iv) or (vi) on or prior to the Long Stop Date, then the Buyer hereby covenants to pay on demand to the Sellers the sum of US$750,000.

(d) Return of Confidential Materials. Upon termination of this Agreement for any reason, the Buyer will immediately return all documents and other material received from the Sellers relating to the Business, the Products, the Purchased Assets and the transactions contemplated hereby, whether so obtained before or after the execution hereof. Further, the Buyer agrees to treat as confidential, all confidential and proprietary information received from the Sellers and their representatives relating to the Sellers, the Business, the Products or the Purchased Assets.

SECTION 10.2. Amendments and Waivers.

This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto. By an instrument in writing, the Buyer and the Company, on the one hand, or the Sellers, on the other hand, may waive compliance by the other parties with any term or provision of this Agreement that such other parties were or are obligated to comply with or perform.

ARTICLE XI.
SURVIVAL AND INDEMNIFICATION

SECTION 11.1. Survival. Each of the representations and warranties of the Sellers and the Buyer shall survive the Closing hereunder and continue in full force and effect until 31 October 2012, following which no claim may be made under the representations and warranties of the Sellers by the Buyer or the Company or of the Buyer by the Sellers as applicable unless the Buyer, the Company or the Sellers, as applicable, have been notified in writing of the existence of, and reasonable details regarding (including insofar as practicable an estimate of the amount of the liability under), such claim prior to 31 October 2012. Subject to the foregoing, any covenant of any Seller or the Buyer contained in this Agreement shall survive the date hereof until such covenant has been fully performed and satisfied.

SECTION 11.2. Indemnification Provisions for the Buyer's and the Company's Benefit.

(a) Seller Breach. In the event the Sellers breach any of their respective representations, warranties, and covenants contained in this Agreement or in any certificate or instrument delivered in connection with the transactions contemplated hereby that relate to such representations, warranties or covenants, and, provided that the Buyer or the Company provide a written notice of the claim for indemnification against the Sellers in accordance with this Agreement within the applicable survival period set forth in Section 11.1, then each Seller shall jointly and severally indemnify, and hold harmless the Buyer, the Company and their respective

Affiliates, officers, directors, employees and agents (collectively, the "Buyer Indemnified Parties") from and against any and all liabilities, losses, injuries, damages, assessments, judgments, costs and expenses, including without limitation the cost of any investigation or lawsuit and reasonable attorneys' fees relating thereto and including any diminution in value of the Business (collectively, "Losses") caused by such breach. In addition, each Seller shall jointly and severally indemnify and hold harmless the Buyer Indemnified Parties from and against any Losses the Buyer Indemnified Parties shall suffer arising out of or resulting, directly or indirectly, from any Excluded Liabilities and any Excluded Assets.

(b) Minimum Loss. Notwithstanding the foregoing, the Sellers shall not be liable to the Buyer Indemnified Parties for indemnification pursuant to Section 11.2(a) if, with respect to any individual item of loss or claim for indemnification, as the case may be (with it being understood, however, that all Losses or claims arising out of the same or similar facts, events or circumstances shall be considered an individual Loss or claim for purposes of this Agreement and all such items shall be aggregated for purposes of this Section 11.2(b)), such item or claim is less than US$10,000 ("Minor Claim"), it being understood that no Minor Claim shall apply or be counted towards the Indemnification Threshold, and, furthermore, the Sellers shall have no obligation to indemnify the Buyer Indemnified Parties until the Buyer Indemnified Parties have suffered Losses by reason of all breaches under this Agreement in excess of Two Hundred Thousand Dollars (US$200,000) (the "Indemnification Threshold"), after which point the Sellers will be obligated only to indemnify the Buyer Indemnified Parties from and against Losses in excess of the Indemnification Threshold. In no event shall the Sellers have any obligation to indemnify the Buyer Indemnified Parties pursuant to Section 11.2 to the extent and in the amount that such Losses exceed Ten Million Dollars (US$10,000,000) (the "Maximum Amount"). Notwithstanding anything contained in this Section 11.2(b) or elsewhere in this Agreement to the contrary, in no event shall the Indemnification Threshold or the Maximum Amount apply to any action arising from fraud, intentional misrepresentation or willful breach by any Sellers of any term or provision of this Agreement, the Transaction Documents or any other documents contemplated in connection with the consummation of the transactions contemplated hereby. Nor shall such Indemnification Threshold or Maximum Amount apply to any Liability relating to any Excluded Asset or Excluded Liability.

SECTION 11.3. Indemnification Provisions for the Sellers' Benefit.

In the event the Buyer breaches any of its representations, warranties, and covenants contained in this Agreement or in any certificate or instrument delivered in connection with the transactions contemplated hereby that relate to such representations, warranties or covenants, and provided that the Sellers make a written claim for indemnification against the Buyer in accordance with this Agreement within the applicable survival period set forth in Section 11.1, then the Buyer shall indemnify, hold harmless and reimburse the Sellers and their respective Affiliates, officers, directors, employees and agents (collectively, the "Seller Indemnified Parties") from and against any and all Losses caused by the breach. In addition, the Buyer shall indemnify and hold harmless the Seller Indemnified Parties from and against any Losses the Seller Indemnified Party shall suffer arising out of or resulting, directly or indirectly, from any Purchased Asset or any Assumed Liability, or any Liability associated with or arising out of or in connection with the ownership of such Purchased Assets or Assumed Liabilities or the operation of the Business (except to the extent such Liability results from a breach by the Sellers of a

representation, warranty, or covenant contained in this Agreement). Notwithstanding the foregoing, the Buyer shall have no obligation to indemnify the Seller Indemnified Parties until they have suffered Losses by reason of all such breaches in excess of the Indemnification Threshold, after which point the Buyer will be obligated only to indemnify the Seller Indemnified Parties from and against Losses in excess of the Indemnification Threshold. In no event shall the Buyers have any obligation to indemnify the Sellers pursuant to this Section 11.3 to the extent and in the amount that such Losses exceed the Maximum Amount. Notwithstanding anything contained in this Section 11.3 or elsewhere in this Agreement to the contrary, in no event shall the Indemnification Threshold or the Maximum Amount apply to any action arising from fraud, intentional misrepresentation or willful breach by the Buyer of any term or provision of this Agreement or any other documents contemplated in connection with the consummation of the transactions contemplated hereby. Nor shall such Indemnification Threshold or Maximum Amount apply to any Liability relating to any Purchased Asset, Assumed Liability, or any other Liability associated or arising out of or in connection with the ownership of such Purchased Assets or Assumed Liabilities or the operation of the Business (other than Excluded Assets and Excluded Liabilities).

SECTION 11.4. Methods of Asserting Claims.

(a) Notice. The party seeking indemnity ("Indemnitee") will give prompt written notice to the party or parties providing indemnity ("Indemnitor") of any claim which it discovers or of which it receives notice after the Closing, stating the nature, basis and (to the extent known) amount thereof; provided, however, that no delay on the part of Indemnitee in notifying any Indemnitor shall relieve Indemnitor from any Liability hereunder unless (and then solely to the extent) Indemnitor is prejudiced by such delay. Copies of any papers received in connection with a claim shall be forwarded to Indemnitor together with the notice of the claim.

(b) Procedure. In case of any suit, claim or proceeding by a third party or by any Governmental Authority, or any action involving claims brought by such a third party or Governmental Authority with respect to which Indemnitor may have Liability under the indemnification provisions contained in this Section 11.4 (a "Third-Party Claim"), if Indemnitor acknowledges in writing delivered to Indemnitee that Indemnitor is obligated hereunder in connection with such Third-Party Claim, then Indemnitor shall have the right to assume the defense thereof at its own expense and by its own counsel, which counsel shall be reasonably satisfactory to Indemnitee; provided, however, that Indemnitor shall not have the right to assume the defense of such Third-Party Claim, notwithstanding the giving of such written acknowledgement, if (i) the Third-Party Claim seeks only an injunction or other equitable relief, (ii) Indemnitee shall have been advised by counsel that there are one or more legal or equitable defenses available to Indemnitee that are different from or in addition to those available to Indemnitor and, in the reasonable opinion of Indemnitee, counsel for Indemnitor could not adequately represent Indemnitee's interests because they conflict with those of Indemnitor, (iii) such Third-Party Claim involves, or could have a material effect on, any material matter beyond the scope of the indemnification obligation of Indemnitor or (iv) Indemnitor shall not have assumed the defense of such Third-Party Claim in a timely fashion. If Indemnitor shall assume the defense of a Third-Party Claim (under circumstances in which the proviso in the preceding sentence is not applicable), Indemnitor shall not be responsible for any legal or other defense costs subsequently incurred by Indemnitee in connection with the defense thereof. If Indemnitor

does not exercise its rights to assume the defense of a Third-Party Claim by giving the required written acknowledgement, or is otherwise restricted from so assuming such defense, Indemnitor shall nevertheless be entitled to participate in such defense with its own counsel and at its own expense; and in any such case Indemnitee may assume the defense of the Third-Party Claim, with counsel that shall be reasonably satisfactory to Indemnitor, and shall act reasonably and in accordance with its good faith business judgment and shall not affect any settlement without the consent of Indemnitor, which consent shall not be unreasonably withheld or delayed. If Indemnitor exercises its right to assume the defense of a Third-Party Claim, it shall not effect any settlement without the consent of Indemnitee, which consent shall not be unreasonably withheld or delayed.

(c) Determination of Adverse Consequences. All indemnification payments under this Article XI shall be paid by the Indemnifying Party net of any Tax or insurance benefits actually received (net of any increased insurance premiums) by the Indemnified Party. All indemnification payments under this Article XI shall be deemed adjustments to the Purchase Price.

(d) Exclusive Remedy. In the absence of fraud, intentional misrepresentation or willful breach, after the Closing, the Buyer, the Company and the Sellers acknowledge and agree that the foregoing indemnification provisions in this Article XI shall be the sole and exclusive remedy of the Buyer, the Company and the Sellers with respect to all monetary Losses arising under this Agreement of any kind or nature, including, without limitation, for any misrepresentation or breach of any warranty, covenant or other provision contained in this Agreement. In no event shall any party be responsible for lost profits or consequential damages of any other party hereto irrespective whether they were advised of the possibility of such damages.

(e) Other limitations. The Buyer or the Company shall not be entitled to claim against the Sellers under the representations, warranties or any other provision of this Agreement:

(i) in respect of any matters Disclosed; or

(ii) in respect of any matter or thing after the date of this Agreement done or omitted to be done by the Sellers at the request of, or with the consent of, the Buyer.

(f) The Buyer or the Company shall not be entitled to recover more than once in respect of any fact, matter, event or circumstance giving rise to a claim under the representations, warranties or any other provision of this Agreement.

(g) Each of the Sellers and the Buyer shall and shall procure that their respective Affiliates will in relation to any loss or liability which might give rise to a claim under the representations, warranties or any other provision of this Agreement against the Buyer or the Sellers as applicable, use reasonable endeavours to avoid or mitigate that loss or liability.

ARTICLE XII.
GENERAL PROVISIONS

SECTION 12.1. Expenses.

All costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such costs and expenses.

SECTION 12.2. Further Assurances and Actions.

(a) Each of the parties hereto, upon the request of the other parties hereto, whether before or after the Closing and without further consideration, will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary to effect complete consummation of the transactions contemplated by this Agreement. The Sellers and the Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

(b) For the avoidance of doubt, the Sellers shall perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) all further documents required by law or which the Buyer requests to vest in the Buyer the full benefit of the right, title and interest assigned to the Buyer under this Agreement.

SECTION 12.3. Notices.

All notices and other communications required or permitted to be given or made pursuant to this Agreement shall be in writing signed by the sender and shall be deemed duly given (a) on the date delivered, if personally delivered, (b) on the date sent by telecopier with automatic confirmation by the transmitting machine showing the proper number of pages were transmitted without error, (c) on the Business Day after being sent by Federal Express or another recognized overnight mail service which utilizes a written form of receipt for next day or next business day delivery or (d) two (2) Business Days after mailing, if mailed by postage-prepaid certified or registered mail, return receipt requested, in each case addressed to the applicable party at the address set forth below; provided that a party may change its address for receiving notice by the proper giving of notice hereunder:

if to the Sellers, to:

OPKO Instrumentation, LLC
4400 Biscayne Blvd.
Miami, Florida 33137
Attn: Dr. Jane Hsiao
Fax: (305) 575-4130

With a copy to:

OPKO Instrumentation, LLC
4400 Biscayne Blvd.
Miami, Florida 33137
Attn: Legal Department
Fax: (305) 575-4140

if to the Buyer, to:

Optos plc
Queensferry House
Carnegie Business Campus
Dunfermline, Fife
Scotland KY11 8GR
Attn: Christine Soden

Fax: +44 1383 843 333

With a copy to: Maclay Murray & Spens LLP by fax on +44 20 7002 8501 (FAO: Guy Norfolk)

SECTION 12.4. Interpretation.

(a) The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(b) A reference in this Agreement to the singular includes a reference to the plural and vice versa and a reference to any gender includes a reference to all other genders.

(c) A reference in this Agreement to "including" shall, unless the context otherwise requires, be deemed to be immediately followed by the words "without limitation".

SECTION 12.5. Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any law or public policy, all other terms and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

SECTION 12.6. Counterparts.

This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto, it being understood that all parties hereto need not sign the same counterpart.

SECTION 12.7. Entire Agreement; No Third-Party Beneficiaries.

This Agreement and the Exhibits, Annexures and Schedules hereto constitute the entire agreement and supersede all prior agreements and understandings, both written and oral (including any letter of intent, memorandum of understanding or term sheet), between or among the parties hereto with respect to the subject matter hereof. Except as specifically provided herein, this Agreement is not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder or thereunder.

SECTION 12.8. Governing Law.

This Agreement and any and all matters arising directly or indirectly herefrom shall be governed by and construed and enforced in accordance with the laws of England applicable to agreements made and to be performed entirely in England.

SECTION 12.9. Specific Performance.

The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance with its terms and that the parties hereto will be entitled to specific performance of such terms, in addition to any other remedy at law or in equity, without the necessity of demonstrating the inadequacy of monetary damages and without the posting of a bond.

SECTION 12.10. Publicity.

A party may make any public disclosure concerning the transactions contemplated hereby that in the view of such party's counsel may be required by law or the rules of any stock exchange on which such party's or its Affiliates' securities trade; provided, however, the party making such disclosure will provide the non-disclosing party with a copy of the intended disclosure reasonably, and to the extent practicable, prior to public dissemination, and the parties hereto will coordinate with one another regarding the timing, form and content of such disclosure.

SECTION 12.11. Assignment.

No party may assign, novate or otherwise transfer its rights or obligations under this Agreement without the prior written consent of the other party; provided, however, that either party may assign or otherwise transfer its rights and obligations under this Agreement, without the prior written consent of the other party, to an Affiliate or to a successor of the assigning party by reason of merger, sale of all or substantially all of its assets or any similar transaction. Notwithstanding the preceding sentence, if an assignee or successor is resident in a Tax

jurisdiction that will impose withholding or other Taxes on Royalties due under this Agreement, the Sellers shall be entitled to a gross-up payment on such Royalties such that the net amount of Royalties, after withholding or other Taxes (including the gross-up payment), is equal to the amount Seller is entitled to under this Agreement prior to any such Assignment. For clarity, Sellers shall be permitted to assign their rights to receive the Royalty to a third party without the consent of the Buyer. Any permitted assignee or successor-in-interest will assume all obligations of its assignor under this Agreement. No assignment or transfer will relieve either party of its responsibility for the performance of any obligation. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and transferees. For the avoidance of doubt, the Sellers acknowledge that some or all of the Purchased Assets may be transferred or assigned by the Buyer to the Company or any of their Affiliates following Closing, and nothing within this Agreement will be deemed to restrict or prevent such transfer or assignment.

SECTION 12.12. Amendments and Waivers.

This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto. By an instrument in writing, the Buyer and the Company, on the one hand, or the Sellers, on the other hand, may waive compliance by the other party with any term or provision of this Agreement that such other party was or is obligated to comply with or perform.

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be signed by their respective representatives thereunto duly authorized, all as of the date first written above.

OPKO HEALTH, INC.

By: /s/ Steven D. Rubin
Name: Steven D. Rubin
Title: Executive Vice President - Administration

OPKO INSTRUMENTATION, LLC

By: /s/ Steven D. Rubin
Name: Steven D. Rubin
Title: Executive Vice President

OPHTHALMIC TECHNOLOGIES, INC.

By: /s/ Steven D. Rubin
Name: Steven D. Rubin
Title: Vice President

OTI (UK) LIMITED

By: /s/ Steven D. Rubin
Name: Steven D. Rubin
Title: President

OPTOS PLC

By: /s/ Christine Soden
Name: Christine Soden
Title: Chief Financial Officer

OPTOS INC.

By: /s/ Christine Soden
Name: Christine Soden
Title: Vice President and Chief Financial Officer

Appendix 1

1. TRANSFERRING EMPLOYEES

1.1 Apportionment of employee costs

All salaries and other emoluments of the Transferring Employees shall be discharged and all Pay As You Earn, income tax deduction and national insurance contribution legislation and regulations shall be complied with by the Seller in respect of all periods up to and including the Closing Date and in respect of all share options granted prior to the Closing Date even if exercised after the Closing Date. The salaries and other emoluments of the Transferring Employees in respect of the period after the Closing Date shall be for the account of the Buyer.

1.2 Application of the Regulations

OTI UK and the Buyer acknowledge and agree that the Regulations will apply to the sale and purchase of the Business under this Agreement (to the extent situated in the UK) and to the Transferring Employees save for any provisions relating to any benefits under an occupational pension scheme for old age, invalidity or survivors which do not transfer under the Regulations.

1.3 Seller's indemnity

The Sellers shall indemnify the Buyer against any act or omission of OTI UK prior to Closing arising out of or relating to the employment or termination of employment of any of the Transferring Employees and any failure by the Sellers to comply with their obligations under the Employment Regulations to inform and consult appropriate representatives of the Transferring Employees in good time before Closing.

1.4 Buyer's indemnity

The Buyer shall indemnify the Sellers against:

(a) any act or omission of the Buyer arising out of or relating to the employment or termination of employment of any of the Transferring Employees after Closing;

(b) any substantial changes to the working conditions of any of the Transferring Employees to their material detriment which are made, proposed or anticipated to take effect after Closing and any right of any Transferring Employee to terminate his contract of employment without notice in acceptance of a repudiatory breach of his contract by the Buyer;

(c) any breach by the Buyer of Regulation 13(4) of the Regulations;

1.5 **Transferring Employees not covered by the Regulations**

If any contract of employment (including any rights, powers, duties and liabilities under or in connection with that contract) of any Transferring Employee is found or alleged to continue with the Sellers after Closing, the Buyer agrees that:

(a) in consultation with the Sellers, they will within seven Business Days of discovering such a finding or allegation make to that person an offer in writing to employ him or her under a new contract of employment to take effect upon the termination referred to below; and

(b) that offer of employment will be on terms and conditions which, when taken as a whole, do not materially differ from the terms and conditions of employment of that person immediately before Closing (save as to the identity of the employer and any terms relating to an occupational pension scheme)

Upon that offer being made by the Buyer, or at any time after the expiry of seven Business Days from a request by the Sellers for the Buyer to make that offer, OTI UK shall terminate the employment of the Transferring Employee concerned and the Buyer shall be responsible for and indemnify the Sellers against all costs, claims, expenses and liabilities arising from:

(A) the employment of that Transferring Employee from Closing until the termination of that employment; and

(B) that termination (including any redundancy pay and compensation for unfair or wrongful dismissal or breach of contract).

1.6 **Undisclosed Employees**

If after Closing any contract of employment relating to an individual who is not a Transferring Employee shall have effect as if originally made between the Buyer and the individual or any individual claims that their contract has this effect (together the "**Undisclosed Employee**") the Buyer may forthwith terminate the employment of the Undisclosed Employees and the Sellers shall indemnify the Buyer against all costs, claims, expenses and liabilities arising from:

(a) the employment of any Undisclosed Employee from Closing until the termination of that employment; and

(b) that termination (including any redundancy pay and compensation for unfair or wrongful dismissal or breach of contract).

Where there is an Undisclosed Employee:

(A) a party shall notify the other in writing as soon as practicable and in any case within 5 Business Days after becoming aware of an Undisclosed Employee and the parties shall consult in good faith as to the appropriate steps to be taken in relation to this;

(B) if, within 10 Business Days of notification under this clause 1.6, the Sellers and the Buyer fails to reach agreement, the Sellers may offer to re-employ the Undisclosed Employee;

(C) if no such offer of employment has been made by the Sellers to the Undisclosed Employee or if made is not accepted by the Undisclosed Employee within 20 Business Days of the notification referred to in this clause 1.6, the Buyer may terminate the employment contract of the Undisclosed Employee.

1.7 **Mutual assistance**

The Sellers and the Buyer shall give each other any assistance that either may reasonably require to comply with the Regulations in relation to the Transferring Employees and in contesting any claim by any person employed or engaged in the Business at or before Closing resulting from or in connection with this Agreement.

1.8 **Access to Transferring Employees**

The Sellers and the Buyer shall respectively consult and keep each other fully informed regarding any information they propose to give to the Transferring Employees and their representatives or any consultation they have with the Transferring Employees and their representatives regarding this Agreement prior to Closing. Except as otherwise provided in this Agreement, the Buyer acknowledges that it shall not have any contact with the Transferring Employees unless previously agreed in writing with the Sellers.

1.9 **Employee Liability Information**

The parties confirm that it is their intention that the provision of Employee Liability Information is regulated by the parties themselves in accordance with the commercial arrangements set out in this Agreement. In particular but without limitation:

(a) the Buyer specifically undertakes that it will not make any application pursuant to Regulation 12 of the Regulations in respect of any failure or alleged failure by the Sellers to provide Employee Liability Information to the Buyer;

(b) the Buyer confirms that it would not be just or equitable for any court or tribunal to make any award pursuant to Regulation 12(3) of the Regulations given the terms of this Agreement. If, contrary to the intentions of the parties, any award is made pursuant to Regulation 12(3) of the Regulations, the Buyer will indemnify and keep indemnified the Sellers against any compensation, fines, legal fees, or any other losses of whatsoever nature as a result of such award.

Attachment A
Bill of Sale and Assignment and Assumption Agreement

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT is dated as of October 11, 2011 (this "Agreement") by and between Optos Inc. (the "Buyer"), and OPKO Instrumentation, LLC, a Delaware limited liability company ("Instrumentation"), Ophthalmic Technologies, Inc., an Ontario corporation ("OTI") and OTI (UK) Limited, a company incorporated in England ("OTI UK", with each of Instrumentation, OTI and OTI UK being referred to as a "Seller", and together the "Sellers").

RECITALS:

A. The Buyer, Sellers, Optos plc (a company incorporated in Scotland with registered number SC139953), and OPKO Health, Inc., a Delaware corporation, have entered into that certain Asset Purchase Agreement dated as of September 21, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the "Asset Purchase Agreement"), providing, subject to the terms and conditions set forth therein, for the sale, transfer, assignment, conveyance and delivery by the Sellers to the Buyer of all of the Sellers' right, title and interest in and to the Purchased Assets (as defined in the Asset Purchase Agreement) and the assignment and transfer of the Assumed Liabilities (as defined in the Asset Purchase Agreement).

B. The parties hereto desire to execute and deliver this Agreement for the purpose of effecting the sale, transfer, assignment, conveyance and delivery of all of the Sellers' right, title and interest in and to the Purchased Assets and to assign and transfer the obligations under the Assumed Liabilities to the Buyer, and the Buyer is willing to assume the Assumed Liabilities upon the terms and conditions set forth herein and as contemplated pursuant to the Asset Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and in the Asset Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Sellers and the Buyer hereby agree as follows:

1. Definitions. Unless otherwise defined herein, each capitalized term used herein shall have the meaning assigned thereto in the Asset Purchase Agreement.

2. Transfer of the Purchased Assets.

(a) The Sellers hereby sell, transfer, assign, convey and deliver to the Buyer free and clear from all Encumbrances other than Permitted Encumbrances, to have and to hold forever, all of the Sellers' right, title and interest in and to the Purchased Assets.

(b) Notwithstanding anything in this Agreement to the contrary, the Sellers are retaining ownership and possession of, and are not selling, transferring, assigning, conveying, or delivering to the Buyer hereunder or otherwise, any right, title or interest of the Sellers in and to the Excluded Assets.

(c) Each of the Buyer and the Sellers agree that it shall do, execute, acknowledge and deliver all acts, agreements, instruments, and assurances as may be reasonably requested by the other party to further effect and evidence the transactions contemplated hereby.

3. Assumption of the Assumed Liabilities.

(a) The Sellers hereby assign and delegate to the Buyer, and the Buyer agrees to perform, and in due course pay and discharge, the Assumed Liabilities.

(b) Notwithstanding any other term of this Agreement, the Sellers are not assigning or transferring, and the Buyer is not assuming or agreeing to pay, perform or discharge, any of the Excluded Liabilities which will continue to be the responsibility of the Sellers.

4. Amendment. This Agreement may be amended only with the express written consent of both parties.

5. No Third-Party Beneficiary. This Agreement is being entered into solely for the benefit of the parties hereto, and the parties do not intend that any employee or any other Person shall be a third-party beneficiary of the covenants by either the Sellers or the Buyer contained in this Agreement.

6. Governing Law. This Agreement and any and all matters arising directly or indirectly herefrom shall be governed by and construed and enforced in accordance with the laws of England applicable to agreements made and to be performed entirely in England.

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

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9. Asset Purchase Agreement. Notwithstanding anything in this Agreement to the contrary, the sale, transfer, assignment, conveyance and delivery effectuated hereby are subject in all respects to the terms and conditions of the Asset Purchase Agreement. In the event of any conflict between the provisions of this Agreement and the terms and conditions of the Asset Purchase Agreement, the terms and conditions of the Asset Purchase Agreement shall prevail.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Bill of Sale, Assignment and Assumption Agreement to be duly executed as of the date first written above.

Optos Inc.

By: /s/ Christine Soden
Name: Christine Soden
Title: Vice President and Chief Financial Officer

OPKO Instrumentation, LLC

By: /s/ Steven D. Rubin
Name: Steven D. Rubin
Title: Executive Vice President

OTI (UK) Limited

By: /s/ Steven D. Rubin
Name: Steven D. Rubin
Title: President

Ophthalmic Technologies, Inc.

By: /s/ Steven D. Rubin
Name: Steven D. Rubin
Title: Vice President

Attachment B
Transitional Services Agreement

maclay murray & spens LLP

DATED 11 October 2011

TRANSITIONAL SERVICES AGREEMENT

between

OPKO HEALTH INC

OPKO INSTRUMENTATION, LLC

OPTOS INC

and

OPTOS PLC

One London Wall London EC2Y SAB DX 123 LONDON/CHANCERY LN
Tel 020 7002 8500 Fax 020 7002 8501
www.mms.co.uk

Ref: SESB/GAN/OPT/0009/00027

TABLE OF CONTENTS

THIS TRANSITIONAL SERVICES AGREEMENT (the "**Agreement**") is made on 11th day of October 2011

BETWEEN

(1) **OPKO HEALTH INC**, a corporation organised and existing under the laws of the State of Delaware and **OPKO INSTRUMENTATION LLC**, a limited liability company organised and existing under the laws of the State of Delaware, each of whose principal address is 4400 Biscayne Blvd., Miami, Florida 33137 (together the "**Suppliers**"); and

(2) **OPTOS INC**, a corporation organised and existing under the laws of the State of Delaware and **OPTOS PLC**, a company incorporated in Scotland with registered number SC139953 (the "**Recipients**").

WHEREAS

(A) The Suppliers and Recipients are parties to the Asset Purchase Agreement (as defined below) pursuant to which, among other things, the Recipients will, at the Closing, acquire substantially all of the assets and liabilities of the Business, all on the terms and conditions set forth therein.

(B) The Parties seek an orderly transition of the Business from the Suppliers to the Recipients following the Closing and, accordingly, the Suppliers have agreed that they will for a limited period of time provide, or procure the provision of, certain services to the Recipients in connection with the sale and transfer of the Business to the Recipients in accordance with the terms of this Transitional Services Agreement (the "**Agreement**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **IT IS HEREBY AGREED** as follows:-

1. **DEFINITIONS**

1.1 In this Agreement unless the context otherwise requires, the following words and expressions shall have the respective meanings ascribed to them below:

"Asset Purchase Agreement"	mean the asset purchase agreement dated 21 September 2011 between, amongst others, the Suppliers and the Recipients;
"Business"	has the meaning ascribed to it in the Asset Purchase Agreement;
"Business Days"	means a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business;
"Closing"	has the meaning ascribed to it in the Asset Purchase Agreement;
"Closing Date"	has the meaning ascribed to it in the Asset Purchase Agreement;
"Group"	means in relation to a company, that company, any wholly owned subsidiary of that company, any holding company of which that company is a wholly owned subsidiary and any other wholly-owned subsidiary of such a holding company; •
"Hired Employees"	has the meaning ascribed to it in the Asset Purchase Agreement;

"Parties"	means the parties to this Agreement;
"Products"	has the meaning ascribed to it in the Asset Purchase Agreement;
"Services"	means those services set out in the Schedule together with such other services as may be agreed in writing from time to time by the Suppliers and the Recipients; and
"VAT"	means value added tax and includes any substituted or similar tax.

1.2 Words and expressions defined in the Asset Purchase Agreement shall, unless they are otherwise defined herein or unless the context otherwise requires, bear the same meanings in this Agreement

2. **CONDITION**

This Agreement is conditional upon, and shall only come into effect, upon Closing.

3. **PROVISION OF SERVICES**

3.1 Subject to clause 2, in consideration of the undertaking of the Recipients obligations hereunder, the Suppliers agree to provide, or procure the provision of, each of the Services, on a non-exclusive basis, to the Recipients during the term of this Agreement

3.2 The Recipients shall provide the Suppliers with all reasonable information and assistance required to enable the Suppliers to provide the Services in accordance with the terms of this Agreement

4. **TERM**

This Agreement shall come into force on the Closing Date and, unless terminated earlier in accordance with the provisions of clause 7 below, shall expire on 31 December 2011 (the "**Transition Period**").

5. **FEES**

5.1 In consideration for the provision of the Services by the Suppliers pursuant to clause 3, the Recipients agree to pay fees to the Suppliers in such amounts as are agreed between the parties from time to time.

5.2 The Suppliers will invoice the Recipients monthly in arrears in respect of the amounts required to be paid by the Recipients under clause 5.1 and the Recipients shall pay the amounts so stated within 14 days of the receipt of the invoice together with appropriate vouchers or suitable evidence.

5.3 The Suppliers shall keep and maintain complete and accurate books, records and accounts of its activities hereunder and the Services provided hereunder. The Suppliers shall prepare and furnish to the Recipients such information and reports regarding its activities hereunder and the Services provided hereunder as the Recipients may reasonably request from time to time. The Recipients (and their representatives) shall have !he right to examine, inspect and copy the books, records and accounts of the Suppliers relating to the Services provided hereunder at reasonable intervals during regular business hours.

6. **SUPPLIERS' GROUP POLICIES**

The Recipients shall comply, and shall use their reasonable endeavours to procure that their officers, employees, agents and representatives shall comply at all times with the policies and procedures of the Suppliers and the Suppliers' Group which are relevant to the receipt or use of the Services.

7. **TERMINATION**

7.1 This Agreement may be terminated at any time:

7.1.1 by an agreement in writing signed by each of the Parties;

7.1.2 by either the Suppliers or the Recipients upon breach or default by the other.

Such termination shall be effective twenty (20) days after receipt by the breaching party of written notice by the non-breaching party of the breach if such breach or default is not cured within such twenty (20) days after such receipt, provided that with respect to a breach or default of the Recipients under clause 5, the Suppliers may terminate this Agreement if such breach or default is not cured seven (7) Business Days after the Recipients' receipt of notice from Suppliers' of such breach or default; or

7.1.3 by either the Suppliers or the Recipients if (A) a trustee or receiver is appointed for the other party, (B) a court orders that any assets of the other party be attached, (C) the other party makes an assignment for the benefit of creditors, or (D) a voluntary or involuntary petition or proceeding is filed by or against the other party under any bankruptcy, reorganization, insolvency or similar law relating to relief of creditors or debtors. Such termination shall be effective ten (10) days after certified receipt by the other party of notice of such termination.

7.2 This Agreement shall terminate at the end of the Transition Period, unless extended by written agreement between the Parties hereto.

7.3 Upon termination of this Agreement all rights and obligations of the Parties shall cease to have effect immediately except that termination shall not affect accrued rights and obligations of the Parties under this Agreement at the date of termination or any express obligations (or any obligations which by implication are) of a continuing nature.

7.4 Termination of this Agreement will have no effect on any other agreements between the Recipients and Suppliers except to the extent such effect is identified and mutually and specifically agreed upon in writing between the Parties.

8. **GENERAL OBLIGATIONS**

8.1 Each Supplier shall provide, or procure the provision of, the Services in accordance with its policies, procedures and practices in effect immediately prior to the Closing Date and in accordance with all applicable laws and, in providing the Services, shall exercise the same degree of care and skill as it exercises in performing similar services for itself.

8.2 Except as otherwise set forth herein, each Party makes no representations or warranties, express, implied, or statutory, including but not limited to the implied warranties of merchantability or fitness for a. particular purpose, with respect to the services or other deliverables to be provided under this Agreement.

8.3 With respect to the Services provided under this Agreement, the Recipients shall indemnify, defend, and hold harmless the Suppliers, as applicable, its officers and employees from and against any and all liabilities that arise out of, or result from, the provision of Services by the Suppliers in accordance with this Agreement, other than liabilities arising solely from the negligence or wilful misconduct of the Suppliers or its officers or employees.

8.4 The Parties will use good faith efforts to cooperate with each other in all matters relating to the provision and receipt of the Services.

8.5 Nothing in this Agreement shall operate to exclude or restrict any party's liability for death or personal injury resulting from gross negligence or fraud or deceit or any statutory or other liability which cannot be excluded under applicable law.

9. CONFIDENTIALITY

9.1 Each of the Parties shall both during and at any time after the term of this Agreement keep confidential all information which has been disclosed, supplied or made available to it by or on behalf of the other party which by its nature ought to be regarded as confidential and shall procure that its employees, agents, members of its Group, sub contractors and sub-licensees and their employees and agents are similarly bound in a manner satisfactory to the other party and shall not disclose the same to any person.

9.2 This clause 9 shall not apply to:

9.2.1 information which shall hereafter become published or otherwise generally available to the public, except in consequence of wilful or negligent act or omission by either party to this Agreement in contravention of the obligations in this clause 9, and such obligations shall, as so limited, survive termination of this Agreement;

9.2.2 information which is made available to the recipient party by a third party who is entitled to divulge such information and who is not under any obligation of confidentiality in respect thereof to the other party; and

9.2.3 information which is required to be disclosed by any applicable law or by regulation of any recognised stock exchange, provided that the party disclosing the information shall notify the other party of the information to be disclosed (and of the circumstances in which the disclosure is alleged to be required) as early as reasonably possible before such disclosure must be made and shall take all reasonable action to avoid and limit such disclosure.

10. NO PARTNERSHIP OR AGENCY

Nothing in this Agreement shall constitute a partnership between the Suppliers and the Recipients or constitute either as agent of the other for any purpose whatsoever and neither shall have authority or power to bind the other or to contract in the name of or create liability against the other in any way or for any purpose save as expressly authorised in writing by the other from time to time.

11. VAT

Unless stated otherwise, all amounts payable under this Agreement are exclusive of VAT (if applicable) which shall (if appropriate) be payable in addition.

12. **ASSIGNMENT AND SUBCONTRACTING**

12.1 Neither the benefit nor the burden of this Agreement shall be assigned by either party hereto without the prior written consent of the other party.

12.2 The Suppliers shall be entitled from time to time to delegate to a subsidiary or associated company the performance of any of its functions, power, authorities, duties and directions hereunder.

13. **NOTICES**

13.1 Any notice given by one party to the other under this Agreement must be in writing and may be delivered personally or by prepaid first class post and in the case of post will be deemed to have been given two Business Days after the date of posting.

13.2 Notices shall be delivered or sent to the addresses of the Parties on the frrst page of this Agreement or to any other address notified in writing by one party to the other for the purpose of receiving notices after the date of this Agreement.

13.3 Each party may specify by notice to the other a particular individual or office holder to whom any notices served on it are to be addressed, in which case a notice shall not be validly given unless so addressed.

14. **SEVERANCE**

14.1 If any provision of this Agreement is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement which shall remain in full force and effect.

14.2 If any provision of this Agreement is so found to be invalid or unenforceable but would cease to be invalid or unenforceable if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid and enforceable.

15. **THIRD PARTIES**

A person who is not party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

16. **COSTS**

Each party shall bear its own costs and expenses incurred in relation to the negotiation, preparation, execution and implementation of this Agreement and all other documents to be completed in accordance with its provisions.

17. **WAIVER AND CUMULATIVE REMEDIES**

17.1 The rights and remedies provided by this Agreement may be waived only in writing and specifically, and any failure to exercise or any delay in exercising a right or remedy by a party shall not constitute a waiver of that right or remedy or of any other rights or remedies. A waiver of any breach of any of the terms of this Agreement or. of a default under this Agreement shall not constitute a waiver of any other breach or default and shall not affect the other terms of this Agreement.

17.2 The rights and remedies provided by this Agreement are cumulative and (unless otherwise provided in this Agreement) are not exclusive of any rights or remedies provided at law or in equity.

18. **VARIATION**

No variation or alteration of any of the provisions of this Agreement shall be effective unless it is in writing and signed by or on behalf of each party.

19. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts each of which when executed by one or more of the Parties shall constitute an original but all of which shall constitute one and the same instrument.

20. **ENTIRE AGREEMENT**

20.1 This Agreement and the documents referred to in it constitutes the entire agreement and understanding between the Parties in respect of the matters dealt within it and supersedes, cancels and nullifies any previous agreement between the Parties relating to such matters notwithstanding the terms of any previous agreement or arrangement expressed to survive termination.

20.2 Each of the Parties acknowledges and agrees that in entering into this Agreement it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) other than as expressly set out in this Agreement. The only remedy available to a party in respect of any such statement, representation, warranty or understanding shall be for breach of contract under the terms of this Agreement.

20.3 Nothing in this clause 20 shall operate to exclude any liability for fraud.

21. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed and construed in all respects according to the laws of the State of Florida and the Parties hereby irrevocably submit to the exclusive jurisdiction of the courts located in Miami-Dade County, Florida.

IN WITNESS whereof the Parties have executed this Agreement the day and year first above

SCHEDULE

SERVICES

The Suppliers will provide the following Services to the Recipients on substantially the same basis as was required to run and operate the Business immediately prior to the Closing Date. The Parties will use their commercially-reasonable efforts to work together to agree upon and take actions necessary to complete the transition of the Business pursuant to the terms of this Agreement.

1. **General**

The Suppliers shall provide such administrative and support services as are currently provided to the Business and which are reasonably required in order to provide the services outlined below.

2. **Payroll Services**

The Suppliers shall provide payroll services (for a period of time which shall not exceed one payroll period) to the Recipients in respect of the Hired Employees and for any new employees of the Recipients in accordance with the instructions given by a Recipient or any member of its Group and shall provide reasonable assistance to the Recipients to convert and migrate the payroll records pertaining to the Business to the relevant payroll systems of the Recipients.

3. **Transfer of Accounting Records and Other Data**

3.1 The Suppliers shall use their reasonable endeavours to assist the Recipients with the migration of accounting records and information, and all other data and records relating to the Business from the Suppliers' IT systems to the Recipients' IT systems prior to the end of the Transition Period.

3.2 The Suppliers will transfer to a server provided by Recipient (to the extent that it can be transferred in the manner envisaged) all information which is available on Suppliers' server relevant to the Business which would reasonably be required by the Recipients' Group to operate the business carried on by the Business as it is presently conducted.

4. **Telephone Services**

The Suppliers shall provide use of its existing phone system to facilitate the Recipients' internal and external calls, such that phone services is provided to the Business in the same manner as is presently available to the Business.

EXECUTED by **OPKO HEALTH, INC**)
)
acting by) /s/ Steven D. Rubin

EXECUTED by)
OPKO INSTRUMENTATION, LLC)
acting by) /s/ Steven D. Rubin

EXECUTED by **OPTOS INC.**)
)
acting by) /s/ Christine Soden
Christine Soden
Vice President and Chief Financial Officer

EXECUTED by **OPTOS PLC**)
)
acting by) /s/ Christine Soden
Christine Soden
Chief Financial Officer

Attachment C
Retention Payments

Appendix I

Count	lname	Fname	Title	State lac.	Mos.@ Base Salary Proposed Retention-12 Sep 2011
1	*	*	*	Fl	*
2	*	*	*	Fl	*
3	*	*	*	FL	*
4	*	*	*	CT	*
5	*	*	*	FL	*
6	*	*	*	FL	*
7	*	*	*	FL	*
8	*	*	*	FL	*
10	*	*	*	Fl	*
11	*	*	*	FL	*
12	*	*	*	FL	*
13	*	*	*	Fl	*
14	*	*	*	FL	*
15	*	*	*	Fl	*
16	*	*	*	Fl	*
18	*	*	*	Fl	*
19	*	*	*	Fl	*
20	*	*	*	FL	*
21	*	*	*	Fl	*
22	*	*	*	Fl	*
23	*	*	*	Fl	*
24	*	*	*	CA	*
25	*	*	*	Fl	*
26	*	*	*	Fl	*
27	*	*	*	Fl	*
28	*	*	*	FL	*
29	*	*	*	FL	*
30	*	*	*	FL	*
31	*	*	*	FL	*
32	*	*	*	Fl	*
33	*	*	*	FL	*
34	*	*	*	FL	*
35	*	*	*	FL	*
36	*	*	*	FL	*
37	*	*	*	UK	*
38	*	*	*	UK	*
39	*	*	*	UK	*
40	*	*	*	UK	*
41	*	*	*	UK	*
42	*	*	*	UK	*

= in org chart

= not in org chart

Exhibit 31.1

CERTIFICATIONS

I, Phillip Frost, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 9, 2011

/s/ Phillip Frost, M.D.

Phillip Frost, M.D.
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Rao Uppaluri, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 9, 2011

/s/ Rao Uppaluri

Rao Uppaluri
Chief Financial Officer

Exhibit 32.1

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

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

The Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2011

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

Exhibit 32.2

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

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

The Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2011

/s/ Rao Uppaluri
Rao Uppaluri
Chief Financial Officer