

ProPhase Labs Reports Second Quarter 2011 Results

ProPhase Labs, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net sales	\$ 1,744	\$ 1,131	\$ 4,910	\$ 3,107
Cost of sales	848	660	2,020	1,466
Gross profit	896	471	2,890	1,641
Operating expenses:				
Sales and marketing	663	780	2,218	1,514
Administration	1,040	1,819	2,285	3,231
Research and development	176	150	395	238
	1,879	2,749	4,898	4,983
Loss from operations	(983)	(2,278)	(2,008)	(3,342)
Interest and other income	9	24	21	26
Loss before income taxes	(974)	(2,254)	(1,987)	(3,316)
Income tax (benefit)	-	-	-	-
Net loss	\$ (974)	\$ (2,254)	\$ (1,987)	\$ (3,316)
Basic and diluted loss per share:				
Loss from operations	\$ (0.06)	\$ (0.15)	\$ (0.13)	\$ (0.24)
Net loss	\$ (0.06)	\$ (0.15)	\$ (0.13)	\$ (0.24)
Weighted average common shares				
Basic and diluted	14,990	14,593	14,864	13,896

ProPhase Labs, Inc. and Subsidiaries
Condensed Consolidated Balance Sheet Data
(in thousands)
(unaudited)

	<u>June 30, 2011</u>	<u>December 31, 2010</u>
Cash and cash equivalents	\$ 8,743	\$ 8,232
Accounts receivable, net	\$ 1,162	\$ 4,821
Inventory	\$ 1,594	\$ 1,682
Total current assets	\$ 11,797	\$ 15,756
Total assets	\$ 17,746	\$ 21,695
Total current liabilities	\$ 5,788	\$ 8,235
Total stockholders' equity	\$ 11,958	\$ 13,460