

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

	Three Months Ended March 31,	
	2014	2013
Net sales	\$ 6,171	\$ 7,542
Cost of sales	2,191	2,203
Gross profit	3,980	5,339
Operating expenses:		
Sales and marketing	2,997	3,363
Administration	1,507	1,495
Research and development	278	188
	4,782	5,046
Income (loss) from operations	(802)	293
Interest income	-	-
Interest expense	(2)	(3)
Income (loss) before income tax	(804)	290
Income tax	-	-
Net income (loss)	\$ (804)	\$ 290
Basic income (loss) per share	\$ (0.05)	\$ 0.02
Diluted income (loss) per share	\$ (0.05)	\$ 0.02
Weighted average common shares outstanding:		
Basic	16,469	15,752
Diluted	16,469	16,199

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

	March 31, 2014	December 31, 2013
Cash and cash equivalents	\$ 5,519	\$ 1,638
Accounts receivable	\$ 2,856	\$ 5,319
Inventory	\$ 2,212	\$ 2,521
Total current assets	\$ 11,173	\$ 11,279
Total assets	\$ 17,267	\$ 17,420
Total current liabilities	\$ 4,264	\$ 4,624
Other long term obligations	\$ 200	\$ 200
Total stockholders' equity	\$ 12,803	\$ 12,596