

PROPHASE LABS, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2013	2012
Net sales	\$ 7,542	\$ 6,018
Cost of sales	2,203	1,678
Gross profit	5,339	4,340
Operating expenses:		
Sales and marketing	3,363	3,177
Administrative	1,498	1,492
Research and development	188	361
	5,049	5,030
Income (loss) from operations	290	(690)
Interest and other income	-	2
Income (loss) before income taxes	290	(688)
Income tax (benefit)	-	-
Net Income (loss)	\$ 290	\$ (688)
Basic income (loss) per share:		
Net income (loss)	\$ 0.02	\$ (0.05)
Diluted income (loss) per share:		
Net income (loss)	\$ 0.02	\$ (0.05)
Weighted average common shares		
Basic	15,752	14,796
Diluted	16,199	14,796

PROPHASE LABS, INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEET DATA
(in thousands)
(unaudited)

	March 31, 2013	December 31, 2012
Cash and cash equivalents	\$ 4,536	\$ 572
Accounts receivable	\$ 3,080	\$ 5,409
Inventory	\$ 2,147	\$ 2,051
Total current assets	\$ 10,251	\$ 10,719
Total assets	\$ 16,139	\$ 16,661
Total current liabilities	\$ 3,864	\$ 4,910
Other long term obligations	\$ 300	\$ 300
Total stockholders' equity	\$ 11,975	\$ 11,451