

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

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net sales	\$ 4,390	\$ 5,130	\$ 12,441	\$ 13,098
Cost of sales	1,671	1,620	5,052	4,816
Gross profit	2,719	3,510	7,389	8,282
Operating expenses:				
Sales and marketing	699	875	4,221	4,724
Administration	1,222	1,917	4,834	6,228
Research and development	195	356	675	907
Impairment charge	-	3,577	-	3,577
	2,116	6,725	9,730	15,436
Income (loss) from operations	603	(3,215)	(2,341)	(7,154)
Interest expense, net	(1)	(1)	(3)	(4)
Income (loss) before income tax	602	(3,216)	(2,344)	(7,158)
Income tax	-	-	-	-
Net income (loss)	\$ 602	\$ (3,216)	\$ (2,344)	\$ (7,158)
Basic income (loss) per share:				
Net income (loss)	\$ 0.04	\$ (0.18)	\$ (0.14)	\$ (0.42)
Diluted income (loss) per share:				
Net income (loss)	\$ 0.04	\$ (0.18)	\$ (0.14)	\$ (0.42)
Weighted average common shares outstanding:				
Basic	16,597	18,208	16,171	17,216
Diluted	16,972	18,208	16,171	17,216