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For the fiscal year ended December 31, 2008
OR

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Commission file number 000-26648

(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., Suite 1180, Miami, FL 33137
(Address of Principal Executive Offices, Zip Code)

Registrant's Telephone Number, Including Area Code: (305) 575-4138

Securities registered pursuant to section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $.01 par value per share	NYSE Alternext U.S.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 Act). Yes ☐ No ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, as of the last business day of the Registrant's most recently completed second fiscal quarter was: $122,913,689.

As of March 6, 2009 the registrant had 199,692,236 shares of common stock outstanding.

Portions of the registrant's definitive proxy statement for its 2009 Annual Meeting of Stockholders are incorporated by reference in Items 10, 11, 12, 13, and 14 of Part III of this Annual Report on Form 10-K.

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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 may

Unless the context otherwise req

Develop and grow our instrumentation business beyond diagnostic and imaging systems to include drug delivery devices and other therapeutic devices and technologies;

Utilize our ophthalmic expertise to identify and acquire companies with innovative ophthalmic technologies; and

Expand into other medical markets, including dermatology, which we believe are complementary to and synergistic with our ophthalmology business.

We were originally incorporated in Delaware in October 1991 under the name Cytoclonal Pharmaceutics, Inc., which was later changed to eXegenics, Inc. On March 27, 2007, we were part of a three-way merger with Froptix Corporation, or Froptix, a research and development company, and Acuity Pharmaceuticals, Inc., or Acuity, a research and development company. This transaction was accounted for as a reverse merger between Froptix and eXegenics, with the combined company then acquiring Acuity. eXegenics was previously involved in the research, creation, and development of drugs for the treatment and prevention of cancer and infectious diseases; however, eXegenics had been a public shell company without any operations since 2003. On June 8, 2007, we changed our name to OPKO Health, Inc.

On November 28, 2007, we acquired Ophthalmic Technologies, Inc., or OTI, an Ontario corporation pursuant to a definitive share purchase agreement with OTI and its shareholders. As a result of this agreement, we entered the ophthalmic instrumentation market and have begun generating revenue from this business.

On May 6, 2008, we completed the acquisition of Vidus Ocular, Inc. (“Vidus”), a privately-held company that is developing Aquashunt™, a device for the treatment of refractory open angle glaucoma. In January 2009, we began treating patients in a clinical trial designed to assess the safety and efficacy of the Aquashunt.

Our shares are publicly traded on the NYSE Alternext U.S. Exchange under the ticker “OPK”. Our principal executive offices are located in Miami, Florida, and our clinical operations are currently based in Morristown, New Jersey. We have an office and manufacturing facility in Toronto, Ontario, Canada, with a research and development branch office in Kingston, Ontario, Canada. We also maintain a manufacturing facility in Hialeah, Florida and a research and development office in the United Kingdom at the University of Kent. Our Internet website address is www.OPKO.com.

We presently have ten compounds and technologies in research and development for the ophthalmic pharmaceutical market. In July 2007, we initiated the first of two required pivotal Phase III trials for bevasiranib, a drug candidate in development for the treatment of Wet AMD. Bevasiranib is the first therapy in late stage clinical development based on the Nobel Prize-winning RNA interference, or RNAi technology. On March 6, 2009, following the recommendation of the Independent Data Monitoring Committee, or the IDMC, we determined to terminate the Phase III clinical trial of bevasiranib. Review of the data by the IDMC indicated that the trial as structured was unlikely to meet its primary end point. However, preliminary data, needing further analysis, show activity of bevasiranib when used adjunctively with Genentech’s Lucentis(R). We intend to conduct a complete evaluation of the clinical data in an effort to determine appropriate next steps regarding the development of bevasiranib.

We also intend to continue development of our siRNA portfolio targeting Vascular Endothelial Growth Factor (VEGF), including our recently announced VEGFA165b sparing siRNA. These new proprietary siRNA’s are designed to inhibit the angiogenic VEGFA165 (VEGFA165 isoform) but spare the anti-angiogenic VEGFA165b isoform.

We are also researching and developing several novel pharmaceutical products for a range of ophthalmic diseases and conditions, including Dry AMD, diabetic retinopathy and Diabetic Macular Edema, or DME, dry eye, viral and allergic conjunctivitis, inflammation and prevention of ocular infection.

The following table lists our most advanced pharmaceutical product candidates, the initial indications that we plan to address through their development, and their development stage.

Product Candidate	Initial Indication	Development Stage

Increased incidence of chronic and age-related disorders with vision destroying characteristics, such as Diabetes (Type I and II), and other metabolic syndromes;

Better understanding of the pathophysiology of diseases;

Emerging technologies to diagnose, treat and manage ophthalmic diseases; and

Improved access to medical care.

Age Related Macular Degeneration ("AMD")

AMD is a back-of-the-eye disease involving the retina, macula and fovea, which is characterized by loss of central visual acuit

Research and development program expenses

To date, the majority of our research and development expenses have been incurred to develop our bevasiranib programs. During 2006, our research and development expenses of $0.5 million reflect the sponsored research between Froptix and the University of Florida. During 2008 and 2007, we incurred $21.6 million and $10.9 million, respectively, in research and development expenses, a majority of which reflects costs to develop bevasiranib. In addition, during 2007 we recorded $243.8 million for acquired in process research and development related to our acquisition of Acuity.

We believe that technology innovation is driving breakthroughs in vision healthcare. We have adopted a comprehensive intellectual property strategy which blends the efforts to innovate in a focused manner with the efforts of our business development activities to strategically in-license intellectual property rights. We develop, protect, and defend our own intellectual property rights as dictated by the developing competitive environment. We value our intellectual property assets and believe we have benefited from early and insightful efforts in understanding the disease and the molecular basis of potential pharmaceutical intervention.

We actively seek, when appropriate and available, protection for our products and proprietary information by means of United States and foreign patents, trademarks, trade secrets, copyrights, and contractual arrangements. Patent protection in the pharmaceutical field, however, can involve complex legal and factual issues. Moreover, broad patent protection for new formulations or new methods of use of existing chemical entities is sometimes difficult to obtain, primarily because the active ingredient and many of the formulation techniqu [illegible]

Pennsylvania. We also agreed to pay the Universit

Phillip Frost, M.D. Dr. Frost became the CEO and C

Naveed Shams, M.D., Ph.D. Dr. Shams has served as Chief Medical Officer and Senior Vice President of Research and Development since January 2008. Prior to joining the Company, Dr. Shams served from September 2003 through November 2007 as Senior Medical Director, Head Ophthalmic Medical Affairs and Post-Marketing Team Leader at Genentech, Inc., a pharmaceutical company, where he led the clinical team responsible for launching Lucentis®. Previously, Dr. Shams was also a Director, Clinical Science for Novartis Ophthalmics, Inc. from April 1998 through September 2003, and Senior Scientist and Glaucoma Group Leader-Discovery for Storz Ophthalmics from January 1995 through March 1998. Before joining industry, Dr. Shams was a member of the Research Faculty at the Schepen's Eye Research Institute and Department of Ophthalmology at Harvard Medical School.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics. We require all employees, including our principal executive officer and principal accounting officer and other senior officers and our employee directors, to read and to adhere to the Code of Business Conduct and Ethics in discharging their work-related responsibilities. Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics is available on our website at http://www.OPKO.com.

Available Information

We make available free of charge on or through our web site, at www.opko.com, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with the SEC. Additionally, the public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, D.C., 20549. Information regarding operation of the Public Reference Room is available by calling the SEC at 1-800-SEC-0330. Information that we file with the SEC is also available at the SEC's Web site at www.sec.gov.

We will need to raise substantial additional capital to engage in oĎđ

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appropriate coverage and adequate levels of reimbursement under private and governmental health insurance plans, including Medicare;

our ability to protect intellectual property rights related to our products;

our ability to have our partners manufacture and sell commercial quantities of any approved products to the market; and

acceptance of future product candidates by physicians and other health care providers.

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er If our competitors market products that are more effective, safer, easier to use or less expensive than our future product candidates, if any, or that reach the market sooner than our future product candidates, if any, we may not achieve commercial success. In addition, both the biopharmaceutical and medical device industries are characterized by rapid technological change. Because our research approach integrates many technologies, it may be difficult for us to stay abreast of the rapid changes in each technology. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete or less competitive.

Our product development activities could be delayed or stopped.

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The completion of our clinical trials could also be substantially delayed or prevented by several factors, including:

- slower than expected rates of patient recruitment and enrollment;
- failure of patients to complete the clinical trial;
- unforeseen safety issues;
- lack of efficacy evidenced during clinical trials;
- termination of our clinical trials by one or more clinical trial sites;
- inability or unwillingness of patients or medical investigators to follow our clinical trial protocols; and
- inability to monitor patients adequately during or after treatment.

Our clinical trials may be suspended or terminated at any time by the FDA, other regulatory authorities, the IRB for any given site, or us. Additionally, changes in regulatory requirements and guidance may occur and we may need to amend clinical trial protocols to reflect these changes with appropriate regulatory authorities. Amendments may require us to resubmit our clinical trial protocols to IRBs for re-examination, which may impact the costs, timing, or successful completion of a clinical trial. Any failure or significant delay in commencing or completing clinical trials for our product candidates could materially harm our results of operations and financial condition, as well as the commercial prospects for our product candidates.

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.

The research, testing, manufacturing, labeling, approval, selling, marketing, and distribution of drug products or medical devices are subject to extensive regulation by the FDA and other non-United States regulatory authorities, which regulations differ from country to country. We are not permitted to market our product candidates in the United States until we receive approval of a new drug application, or NDA, a clearance letter under the premarket notification process, or 510(k) process, or an approval of a pre-market approval, or PMA, from the FDA. We have not submitted an NDA or PMA application or premarket notification, nor have we received marketing approval or clearance for any of our pharmaceutical product candidates. Obtaining approval of an NDA or PMA can be a lengthy, expensive, and uncertain process. With respect to medical devices, while the FDA reviews and clears a premarket notification in as little as three months, there is no guarantee that our products will qualify for this more expeditious regulatory process, which is reserved for Class I and II devices, nor is there any assurance that even if a device is reviewed under the 510(k) process that the FDA will review it expeditiously or determine that the device is substantially equivalent to a lawfully marketed non-PMA device. If the FDA fails to make this finding, then we cannot market the device. In lieu of acting on a premarket notification, the FDA may seek additional information or additional data which would further delay our ability to market the product. Furthermore, we are not permitted to make changes to a device approved through the PMA or 510(k) which affects the safety or efficacy of the device without first submitting a supplement application to the PMA and obtaining FDA approval or cleared premarket notification for that supplement. In some cases, the FDA may require clinical trials to support a supplement application. In addition, failure to comply with FDA, non-United States regulatory authorities, or other applicable United States and non-United States regulatory requirements may, either before or after product approval or clearance, if any, subject our company to administrative or judicially imposed sanctions, including, but not limited to the following:

- restrictions on the products, manufacturers, or manufacturing process;
- adverse inspectional observations (Form 483), warning letters, or non-warning letters incorporating inspectional observations;
- civil and criminal penalties;
- injunctions;

we may be required to change the way the product is administered, conduct additional clinical trials, or change the labeling of the product;

we may have limitations on how we promote our drugs;

sales of products may decrease significantly;

we may be subject to litigation or product liability claims; and

our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the affected product or could substantially increase our commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenues from its sale.

Our inability to address quality control issues in a timely manner could delay the production and sale of our instrumentation products.

We previously received a warning letter in connection with a FDA inspection of the OTI facility in Toronto, Canada on March 25, 2008 noting several deficiencies in OTI's, quality control systems relating to certain products. Immediately upon receipt of the warning letter, we began to take corrective action to address the FDA's concerns and to assure the quality of OTI's products. On September 18, 2008, we received a letter from the FDA stating that our responses to the warning letter indicated that we may have made adequate corrections to the deficiencies identified in the warning letter, and a re-inspection by the FDA of the OTI facility in Toronto would be necessary. During January 2009, the FDA re-inspected the Toronto facility, and we did not receive a citation of deficiency.

We are committed to providing high quality products to our customers, and we plan to meet this commitment by working diligently to continue implementing up erto oletter, andey 200ey »20 0ecti n a» eq

Even if we obtain marketing approvals or clearances 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.

Once regulatory approval has been granted to market a product, the approved or cleared product and its manufacturer are subject to continual review. Any approved or cleared product may only be

As we 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.

As we advance our product candidates through clinical trials, research, and development we will need to expand our development, regulatory, manufacturing, marketing, and sales capabilities or contract with third parties to provide these capabilities for us. As our operations expand, we expect that we will need to manage additional relationships with such third parties, as well as additional collaborators and suppliers. Maintaining these relationships and managing our future growth will impose significant added responsibilities on members of our management. We must be able to: manage our development efforts effectively; manage our clinical trials effectively; hire, train and integrate additional management, development, administrative and sales and marketing personnel; improve our managerial, development, operational and finance systems; implement and manage an effective marketing strategy; and expand our facilities, all of which may impose a strain on our administrative and operational infrastructure.

Furthermore, we may acquire additional businesses, products or product candidates that complement or augment our existing business. Integrating any newly acquired business or product could be expensive and time-consuming. We may not be able to integrate any acquired business or product successfully or operate any acquired business profitably. Our future financial performance will depend, in part, on our ability to manage any future growth effectively and our ability to integrate any acquired businesses. We may not be able to accomplish these tasks, and our failure to accomplish any of them could prevent us from successfully growing our company, which would have a material adverse effect on our business, results of operations and financial condition.

If we fail to acquire and develop other products or product candidates at all or on comm

Our product candidates require precise, high quality manufacturing. Any of our contract manufacturers will be subject to ongoing periodic unannounced inspection by the FDA and other non-United States regulatory authorities to ensure strict compliance with QSR regulations for devices or cGMPs for drugs, and other applicable government regulations and corresponding standards relating to matters such as testing, quality control, and documentation procedures. If our contract manufacturers fail to achieve and maintain high manufacturing standards in compliance with QSR or cGMPs, we may experience manufacturing errors resulting in patient injury or death, product recalls or withdrawals, delays or interruptions of production or failures in product testing or delivery, delay or prevention of filing or approval of marketing applications for our products, cost overruns, or other problems that could seriously harm our business.

Any performance failure on the part of our contract manufacturers could delay clinical development or regulatory approval or clearance of our product candidates or commercialization of our future product candidates, depriving us of potential product revenue and resulting in additional losses. In addition, our dependence on a third party for manufacturing may adversely affect our future profit margins. Our ability to replace an existing manufacturer may be difficult because the number of potential manufacturers is limited and the FDA must approve any replacement manufacturer before it can begin manufacturing our product candidates. Such approval would result in additional non-clinical testing and compliance inspections. It may be difficult or impossible for us to identify and engage a replacement manufacturer on acceptable terms in a timely manner, or at all.

We currently have limited marketing staff, no pharmaceutical sales or distribution capabilities and have only recently commenced developing medical device sales capabilities in the United States. If we are unable to develop our pharmaceutical sales and marketing and distribution capability and our medical device sales and marketing capabilities in the United States on our own or through collaborations with marketing partners, we will not be successful in commercializing our pharmaceutical product candidates or our medical device product candidates in the United States.

We currently have no pharmaceutical marketing, sales or distribution capabilities. We have only recently commenced developing medical device sales capabilities in the United States. If our pharmaceutical product candidates are approved, we intend to establish our sales and marketing organization with technical expertise and supporting distribution capabilities to commercialize our product candidates, which will be expensive and time-consuming. Any failure or delay in the development of any of our internal sales, marketing, and distribution capabilities would adversely impact the commercialhe pment of an roducts. With respect to our existing and o ture pharmaceutical roduct candidates, we may choose to collaborate with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of an wn sales force and distribution systems. To the extent that we enter into co-promoti nt n her licensing arrangements, aD roduct revenue is lhely to be lower tha t we directly marketed ~D old ~aD roducts. I t dditi n any revenue we receive will depend in whole or in part up+the efforts of uch

acceptable terms or at all, we may not be able to successo ly commercialhe our existing and o ture product candidates. If we are not successo in commercialheng our existing and o ture product candidates, either t t an wn or through collaborati n with or more third parties, aD d ture product revenue will suffer and we may incJn ignificant additi n l losses.

Idepedet clinical invegatoe d fotEl ... to codct oe clinical te may not be diliget, cae oe timely.

We depend r tndependent clinical nvestigators to conduct aD clinical rials. Co ract research organile men may also assist in the collecti nt nd a lysis of Data. These investigators and contract research organile pen will not be our employees, and we will not be able to control, her tha t y contract, the amo t of esources, including e, that they devote to products that we develop. If independent investigators uail to devote sufficient resources to the development of roduct candidates or clinical rials, if rheir erformance is substandard, it will delay the marketing approval r clearance and commercialheti nt of y products that we develop. FJther, the Fd A requires that we comply with standards, commt y referred to as good clinical ractice, for conducting, recording and reporting clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity, and confidentialhy of rial subjects are protected. If +ur independent clinical investigators and contract research organile pen fail to comply with good clinical ractice, the results of ad linical trials could be called into questi+t nd the clinical development of ad roduct candidates could be delayed. Failure oJ f linical investigators or contract research organileti n to meet rheir bligati n to or comply with federal regulati n and good clinical practice rocedures could adversely affect the clinical development of ad roduct candidates and harm a iness, results D d erati n , and fi ncial conditi n

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Some jurisdictions may require us, or those from whom we license patents, to grant licenses to third parties. Such compulsory licenses could be extended to include some of our product candidates, which may limit our potential revenue opportunities.

Many countries, including certain countries in Europe, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, most countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may be limited to monetary relief from an infringement and may be unable to enjoin infringement, which could materially diminish the value of the patent. If we or those from who we license patents are required to issue compulsory licenses, it could materially adversely affect our business, results of operation and financial condition.

Our commercial success depends significantly on our ability to operate without infringing the patents and other proprietary rights of third parties.

Other entities may have or obtain patents or proprietary rights that could limit our ability to manufacture, use, sell, offer for sale or import products, or impair our competitive position. In addition, to the extent that a third party develops new technology that covers our products, we may be required to obtain licenses to that technology, which licenses may not be available or may not be available on commercially reasonable terms, if at all. If licenses are not available to us on acceptable terms, we will not be able to market the affected products or conduct the desired activities, unless we challenge the validity, enforceability or infringement of the third-party patent, or circumvent the third-party patent, which would be costly and would require significant time and attention of our management. Third parties may have or obtain valid and enforceable patents or proprietary rights that could block us from developing products using our technology. Our failure to obtain a license to any technology that we require may materially harm our business, financial condition, and

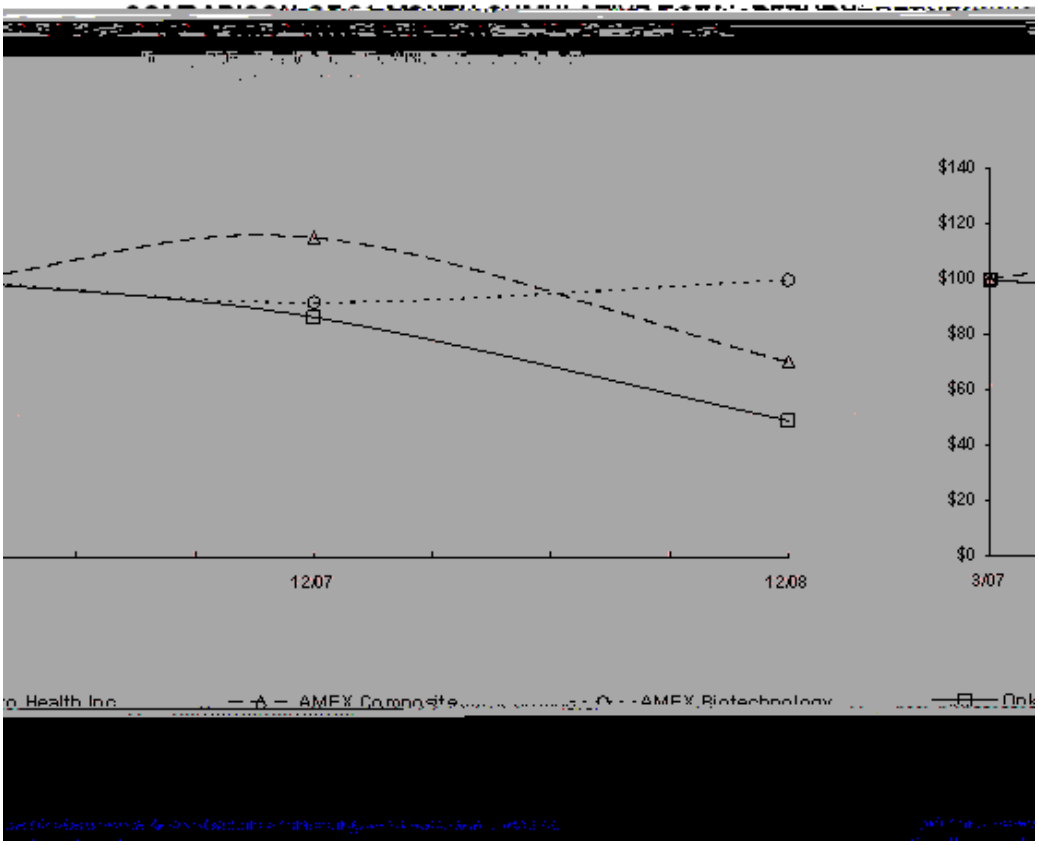
Non-United States governments often impose strict price controls, which may adversely affect our future profitability.

We intend to seek approval to market certain of our existing and future product candidates in both the United States and in non-United States jurisdictions. If we obtain approval in one or more non-United States jurisdictions, we will be subject to rules and regulations in those jurisdictions relating to our product. In some countries, particularly countries of the European Union, each of which has developed its own rules and regulations, pricing is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug or medical device candidate. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our existing and future product candidates to other available products. If reimbursement of our future product candidates is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, we may be unable to generate revenues and achieve or sustain profitability, which would have a material adverse effect on our business, results of operations and financial condition.

Our business may become subject to economic, political, regulatory and other risks associated with international operations.

Our business is subject to risks associated with conducting business internationally, in part due to a number of our suppliers being located outside the United States. Accordingly, our prospects, business, results of operations and financial condition could be d[illegible]

We changed our name from eXegenics, Inc. to OPKO Health, Inc. in June 2007. Our common stock has been traded publicly on the NYSE Alternext U.S. Exchange (formerly the American Stock Exchange) under the symbol “OPK” since June 11, 2007. Prior to June 11, 2007, our common stock was quoted on the over-the-counter bulletin board, or the OTCBB, under the symbol “EXEG.” Quotes on the OTCBB may have reflected inter-dealer prices without retail markups, markdowns, or commissions and may not necessarily have represented actual transactions. The following table sets forth, for the periods indicated, the high and low sales prices per share of our common stock [illegible]



The following selected historical consolidated statement of operations data for the years ended December 31, 2008 and December 31, 2007 and the period from inception (June 23, 2006) through December 31, 2006 and the consolidated balance sheet data as of December 31, 2008, December 31, 2007 and December 31, 2006, below are derived from our audited consolidated financial statements and related notes thereto. On March 27, 2007, we were part of a three-way merger between Froptix Corporation, or Froptix, eXegenics, Inc., or eXegenics, and Acuity Pharmaceuticals, Inc., or Acuity. This transaction was accounted for as a reverse merger between Froptix and eXegenics, with the combined company then acquiring Acuity. On April 13, 2007 we acquired 33% of Ophthalmic Technologies, Inc., or OTI and on November 28, 2007, we acquired the remaining outstanding stock of OTI. On May 6, 2008, we acquired Vidus Ocular, Inc., or Vidus. As a result, the year ended December 31, 2007 includes the results of operations from Froptix for the full year, the operating results of Acuity subsequent to our acquisition on March 27, 2007, and the operating results from OTI subsequent to our acquisition on November 28, 2007. The year ended December 31, 2008 includes the results of operations from Froptix, Acuity and OTI for the full year and the operating results of Vidus subsequent to our acquisition on May 6, 2008. In addition, the results for the 2007 period include the minority interest loss of $0.6 million for a portion of OTI's operating loss from the date of our investment in OTI on April 13, 2007 through the date of our acquisition on November 28, 2007.

Revenue. Revenue for the year ended December 31, 2007 was $0.8 million. All revenue generated related to products sold after our acquisition of OTI on November 28, 2007. Until the acquisition of OTI, we did not generate any revenue. During 2007, all revenue related to products that were shipped internationally. There were no product sales in the U.S.

Gross margin. Gross margin for the year ended December 31, 2007 was $39 thousand. The gross margin related to product sold after our acquisition of OTI on November 28, 2007. The gross margin was negatively impacted by manufacturing costs associated with the introduction of our new OCT SLO model internationally.

Selling, General and Administrative Expense. Selling, general and administrative expense in 2007 was $12.5 million and increased from $0.4 million during the 2006 period, primarily as a result of increased personnel costs, including equity-based compensation, directors' and officers' insurance, professional fees and other costs related to building infrastructure as a public company. In addition, during 2007 we incurred professional fees related to various business transactions, including the acquisitions of Acuity and OTI. During 2007, we also incurred expenses related to building a commercial presence in the ophthalmic instrumentation market in the United States,. During the 2006 period, selling, general and administrative expense primarily included equity-based compensation expense related to a consultant and professional fees. We did not have any employees during 2006. Equity based compensation expense included in selling, general and administrative expenses for the year ended December 31, 2007 was $4.4 million. During the period from our inception (June 23, 2006) through December 31, 2006, equity based compensation expense was $0.3 million, all of which was recorded in selling, general and administrative expense.

Research and Development Expense. Research and development expense for 2007 was $10.9 million and increased from $0.5 million during the 2006 period, primarily as a result of the expense related to our Phase III clinical trial for bevasiranib, which was initiated in July 2007. Research and development expenses for the year ended December 31, 2007 include personnel costs, including equity-based compensation and professional fees as we initiated our Phase III clinical trial for bevasiranib. Equity based compensation expense included in research and development expenses for the year ended December 31, 2007 was $3.0 million. During the third quarter of 2007, a reversal of equity-based compensation expense of $8.1 million was recorded as a result of the termination of a consulting agreement prior to the vesting of any of the equity based awards issued under the consulting agreement. Originally, we accrued $0.3 million for this expense during 2006 and $7.8 million during the first six months of 2007. Research and development expense during 2006 was related to our sponsored research agreement with the University of Florida and costs related to the prosecution of related patents.

Write-off of Acquired In-Process Research and Development. On March 27, 2007, we acquired Acuity in a stock for stock transaction. We valued our common stock issued to Acuity shareholders at the average closing price of the common stock on the date of the transaction and two days prior to the transaction. We recorded the assets and liabilities acquired at fair value. Approximately $243.8 million of the purchase price was allocated to in-process research and development projects, which was immediately charged to expense. We recorded expenses for in-process research and development projects which have not reached technological feasibility and which have no alternative future use. At the time of our acquisition of Acuity, Acuity's lead product, bevasiranib, had not begun the first of two required Phase III clinical trials and as such, had not reached a stage of technological feasibility and had no alternative future use.

Other Income and Expenses. Other expense was $0.7 million, net of $0.3 million of interest income for the year ended December 31, 2007. Other expenses primarily consisted of interest expense incurred on our $4.0 million term loan (which was repaid in January 2008) and $13.0 million line of credit, partially offset by interest earned on our cash and cash equivalents. Other income during the 2006 period reflected the interest earned on our cash and cash equivalents. We did not have any outstanding debt during that period. In addition,

Pursuant to a Stock Purchase Agreement dated February 23, 2009 with Frost Gamma Investments Trust (the "Gamma Trust"), of which Phillip Frost, M.D., our Chairman and CEO, is the sole trustee, we agreed issue 20,000,000 shares of our Common Stock, $0.01 par value, in exchange for $20.0 million, representing an approximate 20% discount to the average closing price of our common stock on the NYSE Alternext U.S. Exchange for the five trading days immediately preceding the effective date of Audit Committee and stockholder approval of the transaction. The Shares issued in the Investment will be restricted securities, subject to a two year lockup, and no registration rights have been granted.

On September 10, 2008, in exchange for a $15 million cash investment in the Company, we issued 13,513,514 shares of our common stock, par value $.01, to a group of investors which included members of the Frost Group. The shares were issued at a price of $1.11 per share, representing an approximately 40% discount to the average trading price of our stock on the American Stock Exchange. The shares issued in the private placement are restricted securities, subject to a two year lockup, and no registration rights have been granted.

We currently have a fully utilized $12.0 million line of credit with The Frost Group, LLC, or the Frost Group, a related party. The Frost Group members include a trust controlled by Dr. Phillip 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. We are obligated to pay interest upon maturity, capitalized quarterly, on outstanding borrowings under the line of credit at a 10% annual rate, which is due July 11, 2009. Effective November 6, 2008, the maturity date on the line of credit was extended for a period of eighteen months from July 11, 2009 until January 11, 2011, and the annual interest rate was increased to 11% from the amendment date forward. The line of credit is collateralized by all of our personal property except our intellectual property.

On January 11, 2008, we repaid in full all outstanding amounts and terminated all of our commitments under a term loan with Horizon Financial Funding Company, LLC, or Horizon. The loan had an interest rate of 12.23%, and the principal was payable in 12 equal monthly installments which commenced August 2007.

We have not generated positive cash flow from operations, and 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.

As a result of the Stock Purchase Agreement with the Gamma Trust in February 2009, pursuant to which the Gamma Trust agreed to invest $20 million into the Company, we believe we have available liquidity sufficient to meet our anticipated cash requirements for operations and debt service for the next 12 months. Our future cash requirements will depend on a number of factors, including the progress of our research and development of product candidates, possible acquisitions, 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, our success in developing markets for our product candidates and the costs of any acquisitions we may undertake. If we accelerate or delay our product development programs or initiate additional clinical trials, the timing of use of cash will increase or decrease accordingly. 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, and take other actions designed to reduce our cost of operations, all of which may not significantly extend the period of time that we will be able to continue operations without raising additional funding.

We intend to finance additional research and development projects, clinical trials and our future operations with a combination of private placements, payments from potential strategic research and development, licensing and/or marketing arrangements, the issuance of debt or equity securities, debt financing and revenue

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

Our exposure to market risk relates to our cash and investments and to our borrowings. We maintain an investment portfolio of money market funds. 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 December 31, 2008, we had cash and cash equivalents of $6.7 million. The weighted average interest rate related to our cash and cash equivalents for the year ended December 31, 2008 was 2.5%. As of December 31, 2008, the principal value of our term loan and credit line was $12.0 million, which bears a weighted average interest rate of 10.2%.

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 one month.

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(in thousands except share data)

	December 31,	
	2008	

compensation expense	—	—	—	—	—	—	—	—	6,730	—	6,730
Issuance of equity securities to acquire Vidus Ocular, Inc. at $1.65 per share	—	—	—	—	658,080	7	—	—	1,312	—	1,319
Correction of equity securities to Acuity	—	—	—	—	57,408	1	—	—	(1)	—	—
Exercise of common stock options	—	—	—	—	5,187,149	52	—	—	154	—	

Comprehensive income or loss. Our comprehensive loss has no components other than net loss for all periods presented.

Segment reporting. Our chief operating decision-maker (or "CODM") is comprised of our executive management with the oversight of our board of directors. Our CODM review our operating results and operating plans and make resource allocation decisions on a company-wide or aggregate basis. Accordingly, we have aggregated our two operating segments, instrumentation and ophthalmic pharmaceutical and device research and development activities into a single segment reporting basis. Our products are being used by and developed for retina specialists, ophthalmologists, and optometrists. During 2008, all of our instrumentation products were sold internationally.

Recent accounting pronouncements: We adopted the provisions of SFAS 157, "*Fair Value Measurements*," or SFAS 157, and SFAS 159, "*The Fair Value Option for Financial Assets and Liabilities Including an Amendment of the FASB Statement No. 115*," or SFAS 159, on January 1, 2008. SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. In accordance with the FASB Staff Position No. FAS 157-2, "*Effective Date of the FASB Statement No. 157*," or FSP 157-2, we will defer the adoption of SFAS 157 for our nonfinancial assets and nonfinancial liabilities, except those items recognized or disclosed at fair value on an annual or more recurring basis, until January 1, 2009. The partial adoption of SFAS 157 did not have a material impact on our fair value measurements. SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. We did not elect to adopt the fair value option for eligible financial instruments under SFAS 159.

SFAS 157 establishes 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 December 31, 2008, we held money market funds that qualify as cash equivalents and are required to be measured at fair value.

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. If we determine that any future valuation adjustment was other-than-temporary, we would record a charge to earnings as appropriate.

Our financial assets measured at fair value on a recurring basis, subject to the disclosure requirements of SFAS 157 are as follows (in thousands):

Money market funds	$ 6,699	$ —	$ —	$ 6,699

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities, or SFAS 159, which gives companies the option to measure eligible financial assets, financial liabilities, and firm commitments at fair value (i.e., the fair value option), on an instrument-by-instrument basis, that are otherwise not permitted to be accounted for at fair value under other accounting standards. The election to use the fair value option is available when an entity first recognizes a financial asset or financial liability or upon entering into a firm commitment. Subsequent changes in fair value must be recorded in earnings. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. We adopted SFAS 159 in the first quarter of 2008 and the adoption did not have any impact on our financial position or results of operations as we elected not to apply fair value measurement on an instrument-by-instrument basis.

In addition to our equity-based compensation plans, we have warrants to purchase our common stock. Refer to Note 8 for additional information on our share-based compensation plans. The table below provides additional information for warrants outstanding as of December 31, 2008. In connection with the Mergers, we issued a total of:

Warrants	Number of warrants	Weighted average exercise price	Expiration date
Outstanding at December 31, 2007	28,672,382		
Exercised	(1,386,916)		
Expired	(40,000)		
Outstanding and Exercisable at December 31, 2008	27,245,466	$ 0.69	Various from March 2015 through March 27, 2017

Of the 1,386,916 warrants exercised to purchase common stock, 215,017 shares were surrendered in lieu of a cash payment via the net exercise feature of the warrant agreements.

Preferred Stock

Under our certificate of incorporation, our board of directors has the authority, without further action by stockholders, to designate up to 10 million shares of preferred stock in one or more series and to fix or alter, from time to time, the designations, powers and rights of each series of preferred stock and the qualifications, limitations or restrictions of any series of preferred stock, including dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and the liquidation preference of any wholly issued series of preferred stock, any or all of which may be greater than the rights of the common stock, and to establish the number of shares constituting any such series.

Series A Preferred Stock

Of the authorized preferred stock, 4,000,000 shares have been designated Series A preferred stock. Dividends are payable on the Series A preferred stock in the amount of $0.25 per share, payable annually in arrears. At the option of our board of directors, dividends will be paid either (i) wholly or partially in cash or (ii) in newly issued shares of Series A preferred stock valued at $2.50 per share to the extent cash dividend is not paid.

Holders of Series A preferred stock have the right to convert their shares, at their option exercisable at any time, into shares of our common stock on a one-for-one basis subject to anti-dilution adjustments. These anti-dilution adjustments are triggered in the event of any subdivision or combination of our outstanding common stock, any payment by us of a stock dividend to holders of our common stock or other occurrences specified in the certificate of designations relating to the Series A preferred stock. We may elect to convert the Series A preferred stock into common stock or a substantially equivalent preferred stock in the case of a merger or consolidation in which we do not survive, a sale of all or substantially all of our assets or a substantial reorganization of us.

Each share of Series A preferred stock is entitled to one vote on all matters on which the common stock has the right to vote. Holders of Series A preferred stock are also entitled to vote as a separ t tr one toήn ders

Stock Options

In accordance with SFAS No. 123R, we estimate the fair value of each stock option on the date of grant using a Black-Scholes option-pricing formula, applying the following assumptions, and amortized the fair value to expense over the option's vesting period using the straight-line attribution approach for employees and non-employee directors, and the amortization method allowed by Financial Accounting Standards Board Interpretation 28, "Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans an interpretation of APB Opinions No. 15 and 25", for awards issued to non-employees which allows for recognizing compensation expense on a graded basis, with most of the compensation expense being recorded during the initial period of vesting:

	Year Ended December 31, 2008	Year Ended December 31, 2007	For the period from inception (June 23, 2006) through December 31, 2006
Expected term (in years)	1.6 - 8.9	3.5 - 9.7	9.5
Risk-free interest rate	1.5% - 3.7%	3.2% - 5.2%	4.5%
Expected volatility	70% - 75%	73% - 76%	35%
Expected dividend yield	0%	0%	0%

Expected Term: The expected term of the stock options to employees and non-employee directors was calculated using the shortcut method allowed by the provisions of SFAS No. 123R and interpreted by Staff Accounting Bulletin No. 110 (SAB 110). We believe this method is appropriate as our equity shares have been publicly trade for a limited period of time and as such we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term. The expected term of stock options issued to non-employee consultants is the remaining contractual life of the options issued.

Risk-Free Interest Rate: The risk-free interest rate is based on the rates paid on securities issued by the U.S. Treasury with a term approximating the expected life of the option.

Expected Volatility: The expected volatility was based on a peer group of publicly-traded stocks' historical trading which we believe will be representative of the volatility over the expected term of the options. We believe the peer group's historical volatility is appropriate as our equity shares have been publicly traded for a limited period of time. The expected volatility for the 2006 period utilized a different peer group than the years ended December 31, 2008 and December 31, 2007 and as a result had a lower volatility.

Expected Dividend Yield: We do not intend to pay dividends on common stock for the foreseeable future. Accordingly, we used a dividend yield of zero in the assumptions.

We maintain incentive stock plans that provide for the grants of stock options to our directors, officers, employees and outside consultants. For the year ended, December 31, 2008, there were 17,002,650 shares of common stock reserved for issuance under our 2007 Incentive Plan. We intend to issue new shares upon the exercise of options. Stock options granted under these plans have been granted at an option price equal to the closing market value of the stock on the date of the grant. Options granted under these plans to employees typically become exercisable over four years in equal annual installments after the date of grant, and to non-employee directors become exercisable in full after one-year after the grant date, subject to, in each case, continuous service with the Company during the applicable vesting period. The Company assumed options to grant common stock as part of the Merger, which reflected various vesting schedules, including monthly vesting to employees and contractors.

Supplemental cash flow information is summarized as follows:

(in thousands)	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the period from inception (June 23, 2006) through December 31, 2006
Interest paid	$ 101		

As part of the Mergers, we assumed a line of credit with the Frost Group, LLC from Acuity and amended and restated that line of credit to increase borrowing availability. In connection with the increase of the borrowing availability, we issued 4,000,000 warrants to the Frost Group. Refer to Note 5. We currently have a fully utilized $12.0 million line of credit with the Frost Group, LLC. The Frost Group members include a trust controlled by Dr. Phillip 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. We are obligated to pay interest upon maturity, capitalized quarterly, on outstanding borrowings under the line of credit at a 10% annual rate, which is due July 11, 2009. The line of credit is collateralized by all of our personal property except our intellectual property. Effective November dddzem09e,h

Effective January 1, 2007, the OPKO Health Savings and Retirement Plan, or the Plan, permits employees to contribute up to 50% of qualified pre-tax annual compensation up to annual statutory limitations. The discretionary company match for employee contributions to the Plan is 100% of up to the first 4% of the participant's earnings contributed to the Plan. Our matching contributions to the plan were approximately $0.2 million and $0.1 million in the years ended December 31, 2008 and 2007, respectively.

On May 7, 2007, Ophthalmic Imaging Systems filed a lawsuit against one of our former employees for breach of fiduciary duty, intentional interference with contract and intentional interference with prospective economic advantage. The Company agreed to indemnify the former employee. The plaintiff has also amended the complaint to add claims for tortious interference with prospective business advantage and aiding and abetting against the Company and The Frost Group, LLC, (a related party) seeking in exce The Frost Gty)elfc

Our strategy is to develop a portfolio of product candidates through a combination of internal development and external partnerships. We have completed strategic deals with the Trustees of the University of Pennsylvania, the University of Illinois, the University of Florida Research Foundation, Winston Laboratories, Teva Pharmaceuticals, Theta Research Consultants and Redox Pharmaceuticals, among others. In connection with these license agreements, upon the achievement of certain milestones we are obligated to make certain payments and upon sales of products developed under the license agreements, have royalty obligations. At this time, we are unable to estimate the timing and amounts of payments as the obligations are based on future development of the licensed products.

The Trustees of the University of Pennsylvania

In March 2003, we entered into two world-wide exclusive license agreements with The Trustees of the University of Pennsylvania to commercialize siRNA targeting VEGF, HIF-1*a*, ICAM, and other therapeutic targets. In consideration for the licenses, we are obligated to make certain milestone payments to the University of Pennsylvania. We also agreed to pay the University of Pennsylvania earned royalties based on the number of products we sell that use the inventions claimed in the licensed patents. We agreed to use commercially reasonable efforts to develop, commercialize, market, and sell such products covered by the license agreements.

The term of the agreements is for the later of the expiration or abandonment of the last patent or ten years after the first commercial sale of the first licensed product. We may terminate either of the agreements upon 60 days' prior written notice. The University of Pennsylvania may terminate either of the agreements if we are more than 90 days late in a payment owed to the University of Pennsylvania, we breach the agreements and do not cure within 90 days after receiving written notice from the University of Pennsylvania, if we become insolvent, or we are involved in bankruptcy proceedings.

The Board of Trustees of the University of Illinois

In August 2006, we entered into an exclusive worldwide license agreement with The Board of Trustees of the University of Illinois to Fcommercialized intellectual property related to ophthalmic siRNA targeting TGF-bRII for the treatment of ophthalmic disease. In September 2007, the license was amended to include all other fields of use beyond the treatment of ophthalmic disease. The license agreement obligates us to pay to the University of Illinois certain milestone payments and royalty payments on all net sales of licensed products and an annual license fee payment.

University of Florida Research Foundation

In April 2006, we entered into three world-wide exclusive license agreements with the University of Florida Research Foundose

The Company's Audit Committee, as authorized by the Board of Directors, and stockholders holding a majority of the voting power of the outstanding capital stock of the Company approved the Investment by one or more members of the Frost Group, LLC, a private investment group controlled by Dr. Frost, on February 13, 2009. Stockholder approval was sought in order to comply with applicable rules of the NYSE Alternext U.S. Exchange. Stockholder approval of the Investment was in the form of a written consent of stockholders in lieu of a special meeting in accordance with the relevant sections of the Delaware General Corporation Law. The Company filed an Information Statement with the Securities and Exchange Commission and on or about March 6, 2009 mailed the information statement to stockholders informing our stockholders of the Investment and the approval of the issuance of the Shares. The Closing of the Investment and the issuance and delivery of the Shares is expected to occur approximately twenty (20) days after the mailing of the Information Statement to stockholders; provided however, that that the Closing of the Investment and issuance and delivery of the Shares is subject to the expiration or termination of any waiting period under the Federal Trade Commission's Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act") and the rules of the Federal Trade Commission relating to the HSR Act.

On March 4, 2009, the Gamma Trust advanced $3.0 million to us under a Promissory Note we issued to the Gamma Trust (the "Note"). The entire amount of this advance and all accrued interest thereon shall be due and payable on the earlier of May 4, 2009 or such earlier date following the closing of the previously disclosed Stock Purchase Agreement, dated February 23, 2009, between us and the Gamma Trust. The Note bears interest at a rate equal to 11% per annum and may be prepaid in whole or in part without penalty or premium.

On March 6, 2009, following the recommendation of the Independent Data Monitoring Committee, or the IDMC, we determined to terminate the Phase III clinical trial of bevasiranib. Review of the data by the IDMC indicated that the trial as structured was unlikely to meet its primary end point. We intend to conduct a complete evaluation of the clinical data in an effort to determine appropriate next steps regarding the development of bevasiranib. As a result of this decision, as of December 31, 2008 we recorded a charge of $0.4 million related to prepaid assets that will not be utilized as originally estimated. We anticipate that during the first quarter of 2009, the total additional charge expenses related to the Phase III clinical trial will be approximately $2.4 million, which includes approximately $1.4 million of expenses related to the shut down of the clinical trial, including closing the sites which were conducting the trial and expenses related to transitioning subjects to the standard of care treatment.

None.

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 December 31, 2008. Based on that evaluation, 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.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements according to generally accepted accounting principles. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined effective could provide only reasonable assurance with respect to financial statement preparation and presentation.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2008, based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our evaluation under the framework in Internal Control — Integrated Framework, management concluded that our internal control over financial reporting was effective as of December 31, 2008.

The information required in Items 10 (Directors, Executive Officers and Corporate Go}eeeeedN ®

Pursuant to the requirements of Section 13 or 15(d) 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.

OPKO HEALTH, INC.

By: /s/ Dr. Phillip Frost
Dr. Phillip Frost,
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Dr. Phillip Frost, M.D. Dr. Phillip Frost, M.D.	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 13, 2009
/s/ Dr. Jane H. Hsiao Dr. Jane H. Hsiao	Vice Chairman and Chief Technical Officer	March 13, 2009
/s/ Steven D. Rubin Steven D. Rubin	Director and Executive Vice President — Administration	March 13, 2009
/s/ Rao Uppaluri Rao Uppaluri	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 13, 2009
/s/ Adam Logal Adam Logal	Executive Director of Finance, Chief Accounting Officer and Treasurer (Principal Accounting Officer)	March 13, 2009
/s/ Robert Baron Robert Baron	Director	March 13, 2009
/s/ Thomas E. Beier Thomas E. Beier		

OPKO Instrumentation, LLC	Delaware
OPKO Ophthalmics, LLC	Delaware
Froptix LLC	Florida
Ophthalmics Technology, Inc.	Ontario, Canada
Vidus Ocular, Inc.	rida

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-144040) pertaining to the OPKO Health, Inc. 2007 Equity Incentive Plan of our reports dated March 12, 2009, with respect to the consolidated financial statements and the effectiveness of internal control over financial reporting of OPKO Health, Inc. in this Annual Report (Form 10-K) for the year ended December 31, 2008.

/s/ Ernst & Young LLP
Certified Public Accountants

Miami, Florida
March 12, 2009

I, Phillip Frost, certify that:

(1) I have reviewed this Annual Report on Form 10-K 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

I, Rao Uppaluri, certify that:

(1) I have reviewed this Annual Report on Form 10-K of OPKO Health, Inc.;

(2) Based on my knowledge, this report dof nuam u a R

In connection with the Annual Report of OPKO Health, Inc. (the "Company") on Form 10-K for the year ended December 31, 2008 (the "Report"), and pursuant to pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, I, Phillip Frost, Chief Executive Officer of the Company, certify that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Phillip Frost
Phillip Frost, M.D.
Chief Executive Officer
March 13, 2009

In connection with the Annual Report of OPKO Health, Inc. (the "Company") on Form 10-K for the year ended December 31, 2008 (the "Report"), and pursuant to pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, I, Rao Uppaluri, Chief Financial Officer of the Company, certify that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Rao Uppaluri
Rao Uppaluri
Chief Financial Officer
March 13, 2009