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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549 U ƫ Š ʼH e

- If we fail to attract and retain key management and scientific personnel, we may be unable to successfully develop or commercialize our product candidates.
- In the event that we successfully 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.
- If we fail to acquire and develop other products or product candidates, at all or on commercially reasonable terms, we may be unable
- We have no experience manufacturing our pharmaceutical product candidates other than at our Israeli and Mexican facilities and we therefore rely on third parties to manufacture and supply our pharmaceutical product candidates, and would need to meet various standards necessary to satisfy FDA regulations if and when we commence manufacturing.
- We currently have no pharmaceutical or diagnostic marketing, sales or distribution capabilities other than in Chile and Mexico for sales in those countries and our API business in Israel. If we

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We have already obtained a CE Mark for our point-of-care diagnostic test for PSA using our system in Europe and we intend to launch the PSA test in Europe in the second half of 2012. In December 2011, we commenced a multi-center study in the U.S. for the PSA test which is designed for 510(k) clearance and potential waiver under The Clinical Laboratory Improvement Amendments of 1988 (a "CLIA-waiver"). We intend to submit our application to the Food and Drug Administration (the "FDA") for clearance of the PSA test in 2012 and expect to begin marketing the test in the U.S. in 2013.

Our product pipeline also includes several pharmaceutical compounds and technologies in research and development for a broad range of indications and conditions. We believe that our up-regulating oligonucleotide therapeutics technology, or AntagoNAT, has the potential to create new drugs for the treatment of a wide variety of illnesses, including cancer, heart disease, metabolic disorders and a range of genetic disorders. We have a variety of therapeutic agents for respiratory disorders in clinical development, including products for asthma, chronic obstructive pulmonary disease ("COPD"), and chronic cough. We are also developing a protein-based influenza vaccine designed to offer multi-season and multi-strain protection, that we believe will offer more effective and longer lasting protection against influenza, in addition to more rapid and efficient production than existing influenza vaccine technologies. In addition to these development programs, we have growing pharmaceutical businesses in Chile, Mexico, and Israel.

We have a highly experienced management team that we believe has demonstrated an ability to successfully build and manage pharmaceutical businesses. Our Chairman and Chief Executive Officer, Dr. Phillip Frost, founded and served as Chairman and Chief Executive Officer of IVAX Corporation ("IVAX"), a multi-national pharmaceutical company, from 1987 until the acquisition of IVAX by Teva Pharmaceutical Industries, Limited ("Teva") in January 2006. Dr. Frost currently serves as Chairman of the Board of Teva. Prior to Ivax, Dr. Frost founded and served as Chairman of the Board of Directors of Key Pharmaceuticals, Inc. from 1972 until the acquisition of Key Pharmaceuticals by Schering Plough Corporation in 1986. Our other senior executive officers, including Dr. Jane Hsiao, our Vice Chairman and Chief Technology Officer, Steven Rubin, our Executive Vice President, Administration, and Dr. Rao Uppaluri, our Senior Vice President and Chief Financial Officer, are former executive officers of IVAX. Based on their experience in the industry, we believe that our management team has extensive development, regulatory and commercialization expertise and relationships that provide access to commercial opportunities.

GROWTH STRATEGY

We expect our future growth to come from leveraging our proprietary technology and development strengths, and opportunistically pursuing complementary, accretive, or strategic acquisitions and investments.

We have under development a broad and diversified portfolio of diagnostic tests, vaccines and small molecules, targeting a broad range of unmet medical needs. We intend to continue to leverage our proprietary technology and our strengths in all phases of pharmaceutical research and development to further develop and commercialize our portfolio of proprietary pharmaceutical and diagnostic products. In support of our strategy, we intend to:

- obtain requisite regulatory approval and compile clinical data for our most advanced product candidates;
- develop a focused commercialization capability in the United States; and
- expand into other medical markets which provide significant opportunities and which we believe are complementary to and synergistic with our business.

We have and expect to continue to be opportunistic and pursue complementary, or strategic acquisitions, licenses and investments. Our management team has significant experience in identifying, executing and integrating these transactions. We expect to use well-timed, carefully selected acquisitions, licenses and investments to continue to drive our growth, including:

In January 2011, we acquired CURNA, Inc., a privately held company based in Jupiter, Florida, engaged in the discovery of new drugs for the treatment of a wide variety of illnesses, including cancer, heart disease, metabolic disorders and a range of genetic anomalies. CURNA's broad platform technology utilizes a short, single strand oligonucleotide and is based on the up-regulation of protein production through interference with non-coding RNA's, or natural antisense. This strategy contrasts with established approaches which down-regulate protein production. CURNA has designed a novel type of therapeutic modality, termed AntagoNAT, and has initially demonstrated this approach for up-regulation of several therapeutically relevant proteins in and animal models. We believe that this short, single strand oligonucleotide can be delivered intravenously or subcutaneously without the drug delivery or cell penetration complications typically associated with double stranded siRNA therapeutics. CURNA has identified and developed compounds which increase the production of over 80 key proteins involved in a large number of individual diseases. We have ongoing pre-clinical studies for several of these compounds, with an initial focus on orphan diseases including Dravet Syndrome, Rett Syndrome and MPS-1.

In May 2010, we acquired worldwide rights to a novel heparin-derived oligosaccharide which has significant potential in treating asthma and COPD.

pharmaceutical sales growth in many mature countries, this expansion in many emerging markets has led to higher sales growth rates and an increasing contribution to the industry's global performance. As a result we expect that emerging markets will continue to be a growing part of our business strategy, contributing both attractive revenue growth and cash flow to support our development programs.

In January 2012, we announced that we have entered into a definitive agreement to acquire ALS Distribuidora Limitada ("ALS"), a privately-held Chilean pharmaceutical company engaged in the business of importation, commercialization and distribution of pharmaceutical products for private markets in Chile. ALS started operations in 2009 as the exclusive product distributor of Arama Laboratorios y Compañía Limitada ("Arama"), a company with more than 20 years of experience in the pharmaceutical products market. In connection with the transaction, OPKO will also acquire all of the product registrations and trademarks previously owned by Arama, as well as the Arama name. The transaction is expected to close in the first quarter of 2012 and is subject to customary closing conditions.

In February 2010, we completed the acquisition of Pharmacos Exakta S.A. de C.V. ("Exakta-OPKO"), a Mexican pharmaceutical business engaged in the manufacture, marketing, sale, and distribution of ophthalmic and other pharmaceutical products to private and public customers in Mexico. Exakta-OPKO manufacturers and sells more than 25 products primarily in the generics market in Mexico, although it has recently increased its focus on the development of proprietary products as well.

In October 2009, we completed the acquisition of Pharma Genexx, S.A. ("OPKO Chile"). OPKO Chile markets, sells and distributes more than 100 products to the private, hospital and institutional markets in Chile for a wide range of indications, including, cardiovascular products, vaccines, antibiotics, gastro-intestinal products, and hormones, among others.

Strategic Investments

We have and may continue to make investments in other early stage companies that we perceive to have valuable proprietary technology and significant potential to create value for OPKO as a shareholder.

- In February 2012, we purchased from Biozone Pharmaceuticals, Inc., a publicly traded company engaged in the manufacture and sale of pharmaceutical and cosmetic products ("BZNE"), $1.7 million of 10% secured convertible promissory notes (the "Notes"), convertible into BZNE common stock at a price equal to $0.20 per common share, which Notes are due and payable on February 24, 2014 and ten year warrants (the "Warrants") to purchase 8.5 million shares of BZNE common stock at an exercise price of $0.40 per shares. The Notes are secured by a first priority lien in all the assets of BZNE, including the stock of its subsidiaries, pursuant to a security agreement. As further consideration for the purchase of the Notes by OPKO, BZNE granted OPKO exclusive, worldwide distribution rights to its enhanced formulation of propofol. The parties also entered into a license agreement pursuant to which OPKO acquired a world-wide license for the development and commercialization of products utilizing BZNE's proprietary drug delivery technology, including QuSomes, exclusively for OPKO in the field of ophthalmology and non-exclusive for all other therapeutic fields, subject in each case to certain excluded products.
- In February 2012, we made a $1 [illegible]

- In December 2010, we acquired a minority equity interest in TESARO, Inc., a privately held oncology-focused biopharmaceutical company, as part of a license agreement with TESARO for the development, manufacture, commercialization and distribution of rolapitant and a related compound. As of December 31, 2011, we owned an approximately 2% equity position in TESARO on an as-converted basis.
- In November 2010, we acquired a minority equity interest in Fabrus, Inc., a privately held early-stage biotechnology company with next generation therapeutic antibody drug discovery and development capabilities that is using its proprietary antibody screening and engineering approach to discover promising lead compounds against several important oncology targets. As of December 31, 2011, we owned an approximately 13% equity position in Fabrus.
- In September 2009, we acquired a minority equity interest in Cocrystal Discovery, Inc. ("CDI"), a privately held biopharmaceutical company focused on the discovery and development of novel small molecule antiviral therapeutics tailored for the treatment of serious and chronic viral diseases. In September 2011, Teva Pharmaceutical Industries Ltd. ("Teva") signed a collaboration option to license and share purchase agreements to invest in CDI. Teva agreed to initi[illegible] iopharmace 011 utica is are "CDI[illegible] ach to

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The FDA and similar regulatory bodies may inspect our facilities and the facilities of those whom manufacture on our behalf worldwide. If the FDA or similar regulatory bodies inspecting our facilities or the facilities of our suppliers find regulatory violations in manufacturing and quality control practices or procedures they may require us to cease partial or complete manufacturing operations until the violations are corrected. They may also impose restrictions on distribution of specific products until the violations are corrected.

Our point of care diagnostic system consists of a disposable test cassette and an analyzer. We prepare all necessary test reagents and assemble and package the disposable cassettes at our facility in Woburn, Massachusetts. We rely on third parties for the manufacture of the analyzer.

We are committed to providing high quality products to our customers, and we plan to meet this commitment by working diligently to continue implementing updated and improved quality systems and concepts throughout our organization.

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Further, our drug candidates may not be approved or cleared

additional funds through collaboration and licensing arrangĎ Ů

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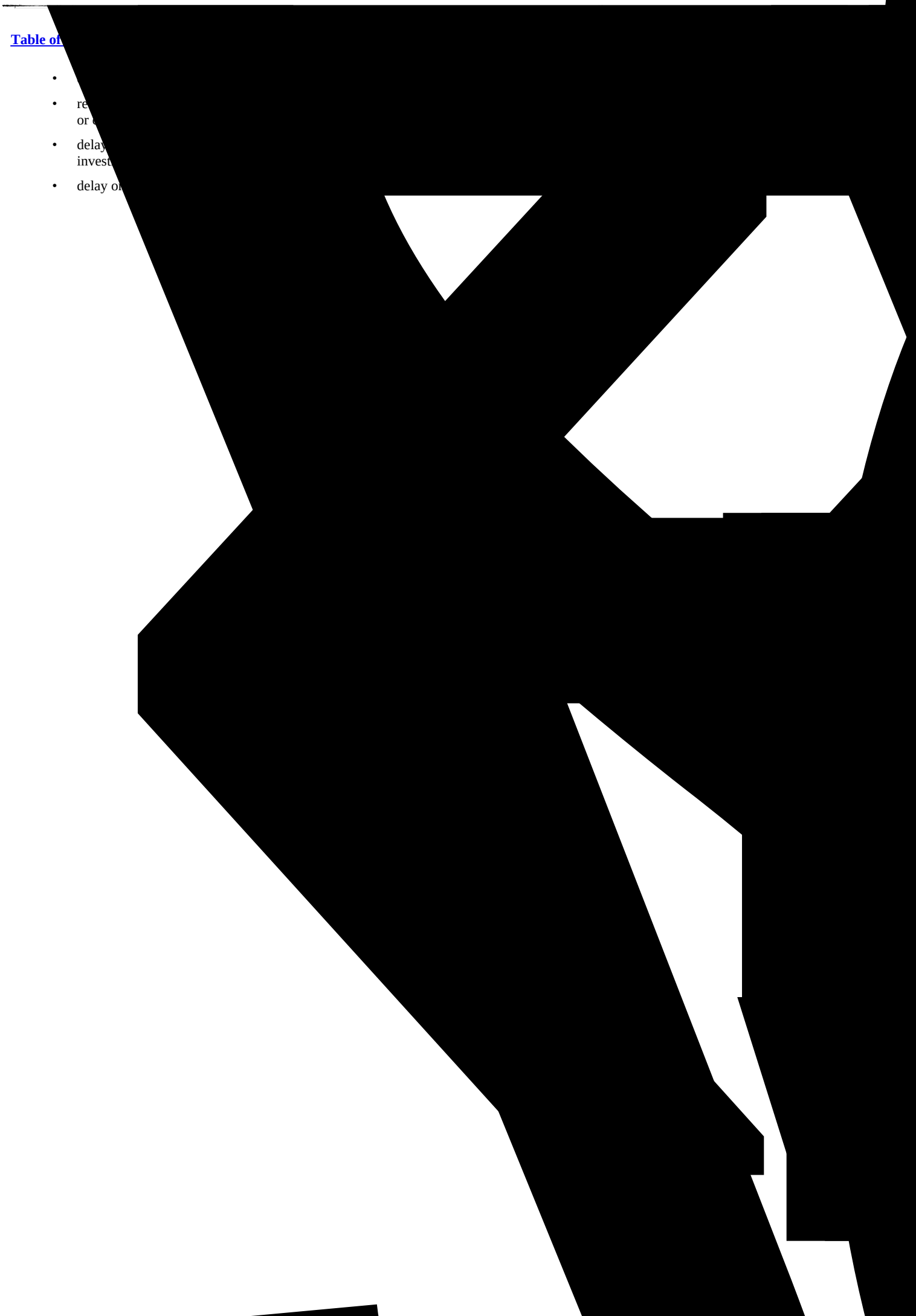

- adverse inspectional observations (Form 483), warning letters, or non-warning letters incorporating inspectional observations;
- civil and criminal penalties;
- injunctions;
- suspension or withdrawal of regulatory approvals or clearances;
- product seizures, detentions, or import bans;
- voluntary or mandatory product recalls and publicity requirements;
- total or partial suspension of production;
- imposition of restrictions on operations, including costly new manufacturing requirements; and
- refusal to approve or clear pending NDAs or supplements to approved NDAs, applications or pre-market notifications.

Regulatory approval of an NDA or NDA supplement, PMA, PMA supplement or clearance pursuant to a pre-market notification is not guaranteed, and the approval or clearance process, as the case may be, is expensive and may, especially in the case of an NDA or PMA application, take several years. The FDA also has substantial discretion in the drug and medical device approval and clearance process. Despite the time and expense exerted, failure can occur at any stage, and we could encounter problems that cause us to abandon clinical trials or to repeat or perform additional pre-clinical studies and clinical trials. The number of pre-clinical studies and clinical trials that will be required for FDA approval or clearance varies depending on the drug or medical device candidate, the disease or condition that the drug or medical device candidate is designed to address, and the regulations applicable to any particular drug or medical device candidate. PMA

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- strength of marketing and distribution support;
- price of our products, both in absolute terms and relative to alternative treatments;
- availability of coverage and reimbursement from government and other third-party payors;
- potential product liability claims;
- limitations or warnings contained in a product's regulatory authority-approved labeling; and
- changes in the standard of care for the targeted indications for any of our product candidates, which could reduce the marketing impact of any claims that we could make following applicable regulatory authority approval.

In addition, our efforts to educate the medical community and health care payors on the benefits of our product candidates may require significant resources and may never be successful. If our products do not gain market acceptance, it would have a material adverse effect on our business, results of operations, and financial condition.

If our future product candidates are not covered and eligible for reimbursement from government and third party payors, we may not be able to generate significant revenue or achieve or sustain profitability.

The coverage and reimbursement status of newly approved or cleared drugs and diagnostic tests is uncertain, and failure of our pharmaceutical products or diagnostic tests to be adequately covered by insurance and eligible for adequate reimbursement could limit our ability to market any future product candidates we may develop and decrease our ability to generate revenue from any of our existing and future product candidates that may be approved or cleared.

There is significant uncertainty related to the third-party coverage and reimbursement of newly approved or cleared drugs and diagnostic products. The commercial success of our existing and future product candidates in both domestic and international markets will depend, in part, on the availability of coverage and adequate reimbursement from third-party payors, including govere

force and distribution systems or in lieu of our own sales force and distribution systems. To the extent that we enter into co-promotion or other licensing arrangements, our product revenue and profit is likely to be lower than if we directly marketed or sold our products. In addition, any revenue we receive will depend in whole or in part upon

agents. However, our existing safeguards and any future improvements may prove to be less than effective, and our employees, consultants, sales agents or distributors may engage in conduct for which we might be held responsible. Any failure by us to adopt appropriate compliance procedures and ensure that our employees and agents comply with the FCPA and applicable laws and regulations in foreign jurisdictions could result in substantial penalties or restrictions on our ability to conduct business in certain foreign jurisdictions.

Violations of the FCPA may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In addition, the U.S. government may seek to hold our Company liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

We are subject to risks associated with doing business globally.

Our operations, both within and outside the United States, are subject to risks inherent in conducting business globally and under the laws, regulations and customs of various jurisdictions and geographies. These risks include fluctuations in currency exchange rates, changes in exchange controls, loss of business in government tenders that are held annually in many cases, nationalization, increasingly complex labor environments, expropriation and other governmental actions, changes in taxation, including legislative changes in U.S. and international taxation of income earned outside of the United States, importation limitations, export control restrictions, violations of U.S. or local laws, including the FCPA, dependence on a few government entities as customers, pricing restrictions, economic destabilization, political and economic instability, disruption or destruction in a significant geographic region — due to the location of manufacturing facilities, distribution facilities or customers — regardless of cause, including war, terrorism, riot, civil insurrection or social unrest, or natural or man-made disasters, including famine, flood, fire, earthquake, storm or disease. Failure to comply with the laws and regulations that affect our global operations, could have an adverse effect on our business, financial condition or results of operations.

RISKS RELATED TO ACQUISITIONS AND INVESTMENTS

Acquisitions, investments and strategic alliances that we have made or may make in the future may use significant resources, result in disruptions to our business or distractions of our management, may not proceed as planned, and could expose us to unforeseen liabilities. We intend to continue to expand our business through the acquisition of, investments in and strategic alliances with companies, technologies, products, and services. Acquisitions, investments and strategic alliances involve a number of special problems and risks, including, but not limited to:

- difficulty integrating acquired technologies, products, services, operations, and personnel with the existing businesses;
- diversion of management’s attention in connection with both negotiating the acquisitions and integrating the businesses;
- strain on managerial and operational resources as management tries to oversee larger operations and investments;
- difficulty implementing and maintaining effective internal control over financial reporting at businesses that we acquire or invest in, particularly if they are not located near our existing operations;
- exposure to unforeseen liabilities of acquired companies or companies in which we invest;
- potential costly and time-consuming litigation, including stockholder lawsuits;
- potential issuance of securities to equity holders of the company being acquired with rights that are superior to the rights of holders of our common stock, or which may have a dilutive effect on our stockholders;
- the need to incur additional debt or use cash; and
- the requirement to record potentially significant additional future operating costs for the amortization of intangible assets.

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Trading of our common stock is limited and restrictions imposed by securities regulation and certain lockup agreements may further reduce our trading, making it difficult for our stockholders to sell shares.

Our common stock began trading on the American Stock Exchange, now known as the NYSE Amex, in June 2007. In September 2011, we transferred the listing of our common stock from the NYSE Amex to the New York Stock Exchange ("NYSE"). To date, the liquidity of our common stock is limited, not only in terms of the number of shares that can be bought and sold at a given price, but also through delays in the timing of transactions and changes in security analyst and media coverage, if at all.

A substantial amount of the outstanding shares of our common stock (including outstanding shares of our preferred stock on an as converted basis) are restricted securities and/or are subject to lockup agreements which limit sales for a period of time. These for the

with our November 2010 restatement of our previously issued consolidated financial statements as of and for the three and nine months ended September 30, 2009, and as of and for the year ended December 31, 2009, we determined that a deficiency in controls relating to the accounting for a beneficial conversion feature on, and the classification of, convertible preferred stock existed as of the previous assessment date and further concluded that such a deficiency represented a material weakness as of December 31, 2009. As a result, we concluded that our internal control over financial reporting was not effective as of December 31, 2009. Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, our results of operation could be harmed. Our failure to maintain the effective internal control over financial reporting could cause the cost related to remediation to increase and could cause our stock price to decline. In addition, we may not be able to accurately report our financial results, may be subject to regulatory sanction, and investors may lose confidence in our financial statements. We can provide no assurance that we will at all times in the future be able to report that our internal control is effective.

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We lease facilities in Jupiter, Florida, Miramar, Florida and Woburn, Massachusetts, which is where our molecular diagnostics research and development, oligonucleotide research and development, and point-of-care diagnostic operations are based, respectively. OPKO Chile, our Chilean subsidiary, leases office space in Santiago, Chile. Through our Mexican subsidiaries, we own a manufacturing facility, laboratory and office space consisting of approximately 38,000 square feet and lease a warehouse facility in Guadalajara, Mexico. Our Israeli subsidiary leases a manufacturing facility, laboratory and office space in Nesher, Israel.

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

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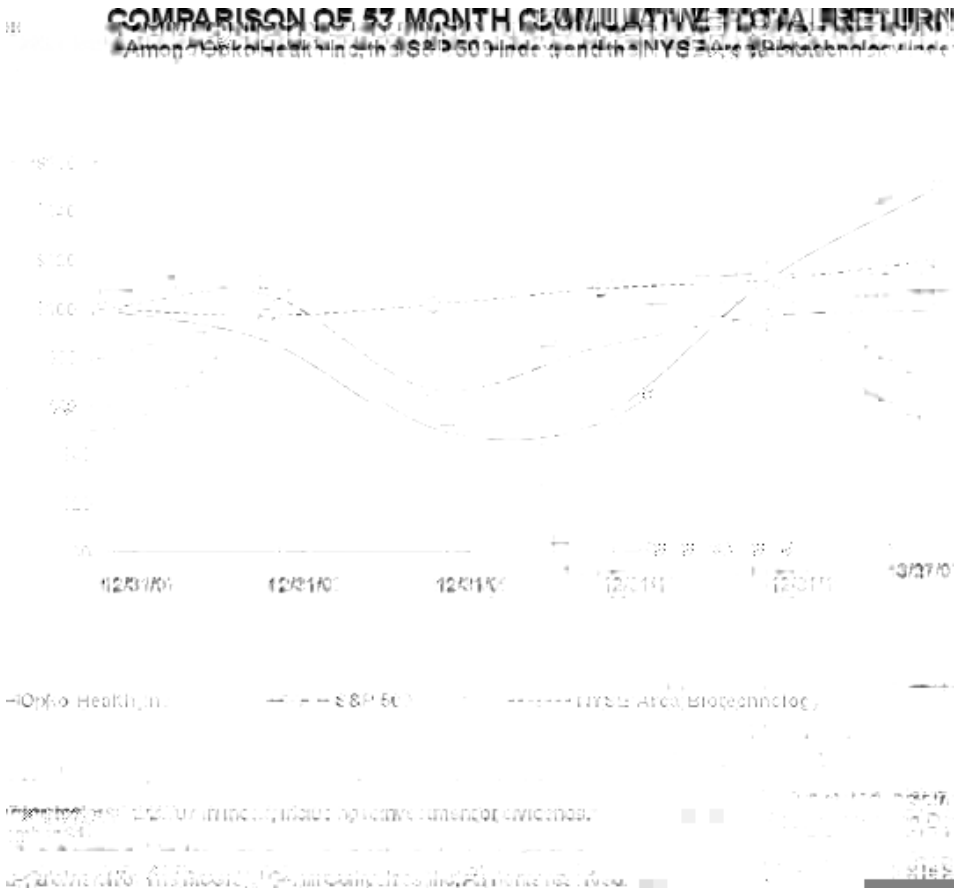
Stock Performance Graph



ITEM 6. SELECTED FINANCIAL DATA.

The following selected historical consolidated statement of operations data for the years ended December 31, 2011, 2010, 2009, 2008 and 2007 and the consolidated balance sheet data as of December 31, 2011, 2010, 2009, 2008, and 2007, below are derived from our audited consolidated financial statements and related notes thereto. This data should be read in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operation" and our consolidated financial statements and the related notes thereto.

	For the years ended December 31,				
(in thousands, except share and per shares information)	2011	2010	2009	2008	2007
Statement of operations data					
Revenue	$ 27,979	$ 28,494	$ 4,418	$ —	$ —
Cost of goods sold	17,243	13,495	2,876	—	—
Gross margin	10,736	14,999	1,542	—	—
Operating expenses:					
Selling, general and administrative	19,169	18,133	10,372	9,644	10,586
Research and development	11,352	5,949	10,836	19,960	10,624
Write-off of acquired in-process research and development	—	—	2,000	1,398	243,761
Other operating expenses; primarily amortization of intangible assets	3,404	2,053	481	—	—
Total operating expenses	33,925	26,135	23,689	31,002	264,971
Operating loss from continuing operations	(Ď				

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

OVERVIEW

We are a multi-national pharmaceutical and diagnostics company that seeks to establish industry-leading positions in large and rapidly growing medical markets by leveraging our discovery, development and commercialization expertise and our novel and proprietar

In October 2011, we acquired Claros Diagnostics, Inc. (“Claros”) a privately held Woburn, Massachusetts based company that has developed a novel microfluidics-based test system consisting of a disposable test cassette and a desktop analyzer. Used together, they provide high performance quantitative blood test results quickly and permit the transition of immunoassays and other tests from the centralized reference laboratory to the physician’s office or hospital nurses station. We paid $10.0 million in cash, subject to certain set-offs and deductions, and $22.5 million in shares of our common stock based on the closing sales price per share of the Company’s common stock as reported by the NYSE on the closing date of the merger, or $5.04 per share. The number of shares issued at closing was determined based on the average closing sales price per share of our common stock as reported by the NYSE for the ten trading days immediately preceding the date of the merger, or $4.45 per share. In addition, the merger agreement provides for the payment of up to an additional $19.125 million in shares of our common stock upon and subject to the achievement of certain milestones.

In December 2011, we acquired all of the issued and outstanding shares of FineTech Pharmaceuticals, Ltd. (“FineTech”), a privately held Israeli company focused on the development and production of specialty APIs. At closing, we paid $10.0 million in cash, and $17.7 million in shares of our common stock. The shares delivered at closing were valued at $17.7 million based on the closing sales price per share of our common stock as reported on the NYSE on the actual date of closing, or $4.90 per share. The number of shares issued was based on the average closing sales price per share of the Company’s common stock as reported on the NYSE for the ten trading days immediately preceding the execution of purchase agreement, or $4.84 per share. Upon finalization of the closing financial statements of FineTech, we accrued an additional $0.5 million for working capital surplus which was paid to the Seller during February 2012. In addition, the purchase agreement provides for the payment of additional cash payments to the seller upon the achievement of certain sales milestones.

RESULTS OF OPERATIONS

For The Years Ended December 31, 2011 and December 31, 2010

. Revenue for the year ended December 31, 2011 was $28.0 million compared to $28.5 million for the year ended December 31, 2010. Revenue from our pharmaceutical products increased during 2011 compared to 2010. Revenue generated by our pharmaceutical business in Chile and Mexico increased by $6.1 million as we increased the number of customers in each country. Offsetting the increase in pharmaceutical product sales was decreased license revenue. In December 2010, we outlicensed our NK-1 development program to TESARO, Inc. (“TESARO”) for an upfront cash payment of $6.0 million, future milestone payments of up to $115.0 million, 1.5 million shares of TESARO Series O Preferred Stock (“TESARO Preferred Stock”), and royalty payments on future sales. We recorded the TESARO Preferred Stock at fair value and recognized $6.7 million as license revenue, including $6.0 million in cash.

. Gross margin for the year ended December 31, 2011 was $10.7 million compared to $15.0 million for the year ended December 31, 2010. Gross margin decreased during 2011 from gross margin in 2010. License revenue included $6.7 million related to TESARO, with no associated cost of revenue during 2010, partially offset by increased gross margin generated by our pharmaceutical business through our operations in Chile and Mexico.

. Selling, general and administrative expense in the year ended December 31, 2011 was $19.2 million as compared to $18.1 million during the year ended December 31, 2010. Selling, general and administrative expense increased primarily as a result of expenses related to our pharmaceutical businesses in Chile and Mexico. Partially offsetting the increase in general and administrative expenses were decreased equity based compensation expense reflecting $3.0 million and $4.8 million of equity based compensation expense for the years ended December 31, 2011 and 2010, respectively.

. Research and development expense for the year ended December 31, 2011 was $11.4 million

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Liquidity And Capital Resources

At December 31, 2011, we had cash and cash equivalents of approximately $71.5 million compared to $18.0 million on December 31, 2010. Cash used in operations during 2011 primarily reflects expenses related to selling, general and administrative activities related to our corporate operations, research and development activities as well as our operations in Chile and Mexico. Cash used in investing activities primarily reflects $28.2 million used to acquire CURNA, Claros and FineTech, partially offset by the $17.5 million received from the sale of our ophthalmic instrumentation business to Optos. The proceeds from our underwritten public offering in March 2011 resulting in approximately $104.8 million in net proceeds, more than offsets the cash used in operations and investing activities. Since our inception, we have not generated sufficient gross margins to offset our operating and other expenses and our primary source of cash has been from the public and private placement of stock and credit facilities available to us.

In December 2011, we acquired FineTech and paid $10.5 million in cash, including a $0.5 million working capital surplus adjustment, and $17.7 million in shares of our common stock. In addition, the merger agreement provides for the payment of additional consideration upon and subject to the achievement of certain sales milestones.

In November 2011, our Board of Directors declared a cash dividend to all Series D Preferred Stockholders as of November 3, 2011. The total cash dividend paid was approximately $4.7 million.

In October 2011, we acquired Claros and paid $10.0 million in cash, subject to certain set-offs and deductions, and $22.4 million in shares of our common stock. In addition, the merger agreement provides for the payment of up to an additional $19.125 million in shares of our common stock upon and subject to the achievement of certain milestones.

In September 2011, we entered into an agreement to sell our ophthalmic instrumentation business to Optos. Upon closing on October 11, 2011, we received $17.5 million in cash and Optos acquired our worldwide activities for the development and commercialization of ophthalmic diagnostic imaging systems. Optos agreed to pay us up to $22.5 million in royalties on future sales.

In June 2011, we repurchased 2,398,740 shares of our common stock for an aggregate purchase price of $7.8 million through a privately negotiated transaction with an early investor in Acuity Pharmaceuticals, Inc., a predecessor company of ours.

In August 2011, we made a $2.0 million investment in Neovasc, a Canadian entity developing devices to treat cardiovascular disease and a leading provider of tissue components for replacement heart valves.

In March 2011, we received $104.8 million in net proceeds from the issuance of 29,397,029 shares of our common stock in an underwritten public offering at a price of $3.75 per share. We initially issued 27,000,000 shares of our common stock on March 14, 2011 and on March 15, 2011, the underwriters exercised a portion of their overallotment and we issued an additional 2,397,029 shares of our common stock.

In January 2011, we acquired all of the outstanding stock of CURNA in exchange for $10.0 million in cash, plus $0.6 million in liabilities, of which $0.5 million was paid at closing. In addition to the cash consideration, we have agreed to pay to the CURNA sellers a portion of any consideration we receive in connection with certain license, partnership or collaboration agreements we may enter into with third parties in the future relating to the CURNA technology, including, license fees, upfront payments, royalties and milestone payments. As a result, we recorded $0.6 million as contingent consideration for the future consideration.

As of December 31, 2011, we have outstanding lines of credit in the aggregate amount of $17.2 million with nine financial institutions in Chile, of which, $8.4 million is unused. The average interest rate on these lines of credit is approximately 6%. These lines of credit are short-term and are generally due within three months. These lines of credit are used primarily as a source of working capital for inventory purchases. The highest balance at any time during the year ended December 31, 2011 was $14.8 million. We intend to continue to enter into these lines of credit as needed. There is no assurance that this or other funding sources will be available to us on acceptable terms, or at all, in the future.

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ITEM 8. FINANCIAL STATEMENTS AND S

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of OPKO Health, Inc. and subsidiaries

We have audited the accompanying consolidated balance sheets of OPKO Health, Inc. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the thhdean sf'tholdatt0enol0,

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of OPKO Health, Inc. and subsidiaries

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OPKO Health, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 31, 2011	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 71,516	$ 18,016
Accounts receivable, net	12,544	11,856
Inventory, net	13,339	16,423
Prepaid expenses and other current assets	2,179	2,680
Current assets of discontinued operations	4	8,417
Total current assets	99,582	57,392
Property and equipment, net	5,358	2,589
Intangible assets, net	76,730	6,784
Goodwill	39,815	5,856
Investments, net	6,717	5,114
Other assets	1,287	111
Total assets	$ 229,489	$ 77,846
LIABILITIES, SERIES D PREFERRED STOCK, AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 4,891	$ 6,479
Accrued expenses	4,956	3,370
Current portion of lines of credit and notes payable	8,757	14,690
Current liabilities of discontinued operations	174	3,060
Total current liabilities	18,778	27,599
Other long-term liabilities, principally contingent consideration and deferred tax liabilities	25,443	1,067
Total liabilities	44,221	28,666
Commitments and contingencies		
Series D Preferred Stock – $0.01 par value, 2,000,000 shares authorized; 1,129,032 and 1,209,677 shares issued and outstanding (liquidation value of $28,355 and $33,013) at December 31, 2011 and 2010, respectively	24,386	26,128
Shareholders' equity		

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OPKO Health, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share data)

	For the years ended December 31,		
	2011	2010	2009
Revenue			
Products	$ 27,844	$ 21,763	$ 4,418
Other	135	6,731	—
Total revenue	27,979	28,494	4,418
Cost of goods sold, excluding amortization of intangible assets	17,243	13,495	2,876
Gross margin, excluding amortization of intangible assets	10,736	14,999	1,542
Operating expenses			
Selling, general and administrative	19,169	18,133	10,372
Research and development	11,352	5,949	10,836
Write-off of acquired in-process research and development	—	—	2,000
Other operating expenses, principally amortization of intangible assets	3,404	2,053	481
Total operating expenses	33,925	26,135	23,689
Operating loss from continuing operations	(23,189)	(11,136)	(22,147)
Other income and (expense)			
Interest income	288	24	24
Interest expense	(1,005)	(1,215)	(1,760)
Other expense, net	(327)	347	(180)
Other expense, net	(1,044)	(844)	(1,916)
Loss from continuing operations before income taxes and investment losses	(24,233)	(11,980)	(24,063)
Income tax benefit	19,358	18	25
Loss from continuing operations before investment losses	(4,875)	(11,962)	

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OPKO Health, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the years ended December 31,		
	2011	2010	2009
Cash flows from operating activities:			
Net loss	$ (1,283)	$(18,926)	$(30,113)
Income (loss) from discontinued operations, net of tax	(5,181)	6,250	5,722
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	3,830	2,207	564
Write-off of acquired in-process research and development	—	—	2,000
Accretion of debt discount related to notes payable	2	66	123
Losses from investments in investees	1,589	714	353
Equity based compensation – employees and non-employees	6,953	6,519	4,174
Provision for (recovery of) bad debts	257	(89)	25
Provision for (recovery of) inventory obsolescence	607	(48)	137
Unrealized gain from warrants	39	—	—
Deferred income tax benefit	(19,358)	—	—
Revenue from receipt of equity	(85)	(731)	—
Changes in assets and liabilities of continuing operations, net of the effects of acquisitions:			
Accounts receivable	(1,719)	(2,888)	(740)
Inventory	2,170	(8,156)	(636)
Prepaid expenses and other current assets	57	270	432
Other assets	16	13	(58)
Accounts payable	(1,784)	1,498	(547)
Foreign currency remeasurement	363	—	—
Accrued expenses	(412)	(3,858)	(829)
Cash used in operating activities from continuing operations	(13,939)	(17,159)	(19,393)
Cash used in operating activities from discontinued operations	(4,561)	(1,553)	(4,065)
Net cash used in operating activities	(18,500)	(18,712)	(23,458)
Cash flows from investing activities:			
Investments in investees	(2,013)	(650)	(4,800)
Acquisition of businesses, net of cash	(28,186)	(1,323)	(15,632)
Acquisition of rolapitant	—	—	(2,000)
Purchase of marketable securities	(100,161)	(14,997)	(9,997)
Maturities of marketable securities	100,161	14,997	9,997
Capital expenditures	(1,953)	(774)	(122)
Cash used in investing activities from continuing operations	(32,152)	(2,747)	(22,554)
Cash provided by (used in) investing activities from discontinued operations	17,316	(33)	(50)
Net cash used in investing activities	(14,836)	(2,780)	(22,604)
Cash flows from financing activities:			
Issuance of common stock, including related parties, net	104,828	—	50,990
Purchase of common stock held in treasury	(7,832)	—	—
Redemption of Series A preferred stock including related parties	(1,792)	—	—
Payment of Series D dividends, including to related parties	(4,704)	—	—

. Research and development costs are charged to expense as incurred. We record expense for in-process research and development projects acquired as asset acquisitions whi ca

In September 2011, the FASB issued a new standard to simplify how an entity tests goodwill for impairment. The new standard allows companies an option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining if it is necessary to perform the two-step quantitative goodwill impairment test. Under the new standard, a company is no longer required to calculate the fair value of a reporting unit unless the company determines, based on the qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The new standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We do not expect a material impact with the adoption of this new standard.

Note 3 Acquisitions, Investments, and Licenses

On December 29, 2011, we purchased all of the issued and outstanding shares of FineTech Pharmaceuticals, Ltd., a privately held Israeli company focused on the development and production of specialty Active Pharmaceutical Ingredients ("APIs"). At closing, we delivered to the seller $27.7 million, of which $10.0 million was paid in cash and $17.7 million was paid in shares of our common stock. The shares delivered at closing were valued at $17.7 million based on the closing sales price per share of our common stock as reported by the New York Stock Exchange ("NYSE") on the actual closing date of the acquisition, or $4.90 per share. The number of shares issued was based on the average closing sales price per share of our common stock as reported on the NYSE for the ten trading days immediately preceding the execution of the purchase agreement, or $4.84 per share. Upon finalization of the closing financial statements of FineTech, we accrued an additional $0.5 million for a working capital surplus, as defined in the purchase agreement, which was paid to the seller in February 2012. In addition, the purchase agreement provides for the payment of additional cash consideration subject to the achievement of certain sales milestones.

The following table summarizes the estimated fair value of the net assets acquired and liabilities assumed in the acquisition of FineTech at the date of acquisition which are subject to change while contingencies that existed on the acquisition date are resolved:

(in thousands)	
Current assets (including cash of $2,000)	$ 3,358
Intangible assets:	
Customer relationships	14,200
Technology	2,700
Non-compete	1,500
Tradename	400
Total intangible assets	18,800
Goodwill	11,623
Plant and equipment	1,358
Other assets	1,154
Accounts payable and accrued expenses	(910)
Deferred tax liability	(2,457)
Contingent consideration	(4,747)
Total purchase price	$28,179

On October 13, 2011, we acquired Claros Diagnostics, Inc. ("Claros") pursuant to an agreement and plan of merger. We paid $10.0 million in cash, subject to certain set-offs and deductions, and $22.5 million in shares of our common stock, based on the closing sales price per share of our common stock as reported by the NYSE on the closing date of the Merger, or $5.04 per share. The number of shares issued was based on the average closing sales price per share of our common stock as reported by the NYSE for the ten trading days immediately preceding the date of the merger, or $4.45 per share. Pursuant to the merger agreement, $5.0 million of the stock consideration is held in a separate escrow account to secure the indemnification obligations of Claros under the Claros merger agreement. In December 2011, we made a $0.2 million claim against the escrow for certain undisclosed liabilities. In addition, the merger agreement provides for the payment of up to an additional $19.125 million in shares of our common stock upon and subject to the achievement of certain milestones.

The following table summarizes the estimated fair value of the net assets acquired and liabilities assumed in the acquisition of Claros at the date of acquisition which are subject to change while contingencies that existed on the acquisition date are resolved:l’

In November 2010, we made an investment in Fabrus, Inc., a privately held early stage biotechnology company with next generation therapeutic antibody drug discovery and development capabilities. Fabrus is using its proprietary antibody screening and engineering approach to discover promising lead compounds against several important oncology targets. Our investment was part of a $2.1 million financing for Fabrus and included other related parties. Refer to Note 12.

In September 2009, we entered into an agreement pursuant to which we invested $2.5 million in cash in Cocrystal Discovery, Inc., a privately held biopharmaceutical company ("Cocrystal") in exchange for 1,701,723 shares of Cocrystal's Convertible Series A Preferred Stock. Cocrystal is focused on the discovery and development of novel antiviral drugs using a combination of protein structure-based approaches. Refer to Note 12.

In June 2009, we entered into a stock purchase agreement with Sorrento Therapeutics, Inc. ("Sorrento"), a publicly held company with a technology for generating fully human monoclonal antibodies, pursuant to which we invested $2.3 million in Sorrento. The closing stock price for Sorrento's common stock, a thinly traded stock, as quoted on the over-the-counter markets was $0.20 per share on December 31, 2011. Refer to Note 12.

The total assets, liabilities, and net losses of our equity method investees as of and for the year ended December 31, 2011 were $22.9 million, $1.9 million, and $9.1 million, respectively. The following table reflects our maximum exposure, accounting method, ownership interest and underlying equity in net assets of each of our investments:

Investee name	Year invested	Accounting method	Ownership at December 31, 2011	Maximum exposure (In thousands)	Underlying equity in net assets

In October 2011, Cocrystal received an investment of $7.5 million from Teva Pharmaceutical Industries Ltd. In connection with that investment, we determined Cocrystal no longer meets the definition of a variable interest entity as it has sufficient capital to carry out its principal activities without additional financial support and as such had a reconsideration event occur. As a result of OPKO and its related parties' ownership interest, OPKO and its related parties have the ability to significantly influence Cocrystal, we account for our investment under the equity method.

In June 2011, TESARO announced a $101 million financing. In connection with that financing, we determined TESARO no longer meets the definition of a variable interest entity as it has sufficient capital to carry out its principal activities without additional financial support. Neither OPKO nor its related parties have the ability to significantly influence TESARO and as such, OPKO accounts for its investment in TESARO under the cost method.

The following table includes the pro forma results for the years ended December 31, 2011 and 2010 of the combined companies as though the acquisitions of FineTech and Claros had been completed as of the beginning of each period, respectively.

	For the years ended December 31,	
(in thousands, except per share amounts)	2011	2010
Revenue	$ 36,238	$ 34,102
Loss from continuing operations	$ (20,879)	$ (12,606)
Net loss attributable to common shareholders	$ (1,368)	$ (23,295)
Basic and diluted loss from continuing operations per share	$ (0.00)	$ (0.08)
Basic and diluted loss from discontinued operations per share	$ (0.00)	$ (0.04)
Basic and diluted loss per share	$ (0.00)	$ (0.12)

This unaudited pro forma financial information is presented for informational purposes only. The unaudited pro forma financial information may not necessarily reflect our future results of operations or what the results of operations would have been had we owned and operated each company as of the beginning of the periods presented.

We incurred a pre-tax loss related to the activities of Claros of $1.7 million from the date of our acquisition through December 31, 2011.

Note 4 Discontinued Operations

In September 2011, we announced that we entered into an agreement with OPTOS, Inc., a subsidiary of Optos plc (collectively "Optos") to sell our ophthalmic instrumentation business. Upon closing in October 2011, we received $17.5 million of cash and we are eligible to receive royalties up to $22.5 million on future sales.

The assets and liabilities related to our instrumentation business have identifiable cash flows that are independent of the cash flows of other groups of assets and liabilities and we will not have a significant continuing involvement with the related products beyond one year after the closing of the transactions. Therefore, the accompanying Consolidated Balance Sheets report the assets and liabilities related to our instrumentation business as discontinued operations in all periods presented, and the results of operations related to our instrumentation business have been classified as discontinued operations in the accompanying Consolidated Statements of Operations for all periods presented.

The following table summarizes the fair values assigned to our major intangible asset classes upon each acquisition:

(in thousands)	OPKO Chile	Exakta OPKO	CURNA	Claros	FineTech	Weighted average amortization period
Technology	$ —	$—	$ —	$44,400	$ 2,700	15 years
In-process research and development	—	—	10,000	—	—	Indefinite
Customer relationships	—	—	—	—	14,200	6 years

We have entered into lines of credit agreements with nine financial institutions in Chile in addition to our line of credit with the Frost Group. The Chilean lines of credit are used primarily as a source of working capital for inventory purchases. The following table summarizes the lines of credit:

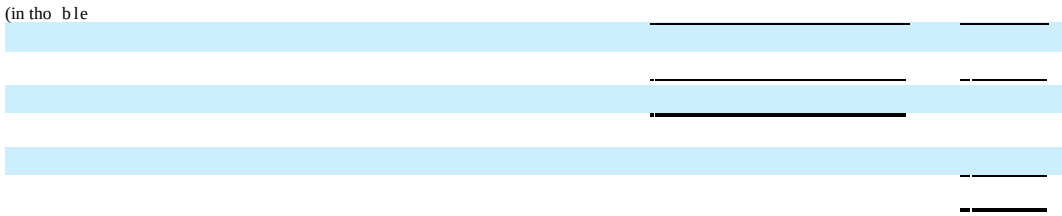
(in thousands) Lender	Interest rate on borrowings	Maximum borrowings	Amount outstanding at December 31, 2011	2010
The Frost Group LLC	11%	$ 12,000	$ —	$ —
Itau Bank	Libor +3.2%	2,351	1,091	1,849
Bank of Chile	Libor +3.2%	3,096	1,749	3,100
BICE Bank	Libor +3.2%	2,893	952	2,813
Santander Bank	Libor +3.2%	1,796	236	1,826
Corp Banca	Libor +3.2%	435	420	426
BBVA Bank	Libor +3.2%	3,214	2,348	3,123
BCI	Libor +3.2%	964	945	—
Security	Libor +3.2%	1,010	1,016	—
Scotiabank	Libor +3.2%	1,401	—	1,553
Total		$ 29,160	$ 8,757	$ 14,690

In March 2009, the Gamma Trust, a related party, advanced $3.0 million to us pursuant to a Promissory Note we issued to the Gamma Trust (the “Note”). The entire amount of this advance and all accrued interest thereon was due and payable on the earlier of May 4, 2009, or such earlier date following the closing of the stock purchase transaction with the Gamma Trust. Refer to Note 7. The Note bore interest at a rate equal to 11% per annum and could be prepaid in whole or in part without penalty or premium. We repaid the Note and $48 thousand of interest on April 27, 2009.

Note 7 Equity Offerings

On March 14, 2011, we issued 27,000,000 shares of our common stock in a public offering at a price of $3.75 per share. We also granted the underwriters a 30-day option to purchase up to an additional 4,050,000 shares of our common stock to cover over-allotments, if any. On March 15, 2011, representatives for the underwriters provided us notice that the underwriters exercised a portion of their 4,050,000 share over-allotment option for 2,397,029 additional shares of our common stock.

The following table reflects the proceeds received from the issuance of shares:



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8% Series D Cumulative Convertible Preferred Stock

Of the authorized preferred stock, 2,000,000 shares were designated 8% Series D Cumulative Convertible Preferred Stock ("Series D Preferred Stock"). Holders of the Series D Preferred Stock are entite e بر

The weighted average grant date fair value of stock options granted for the years ended December 31, 2011, 2010 and 2009 was $2.49, $1.39, and $0.99, respectively. The total fair value of stock options vested during the years ended December 31, 2011, 2010 and 2009 was $6.4 million, $3.4 million, and $5.1 million, respectively. The following table provides the grant date fair value for each of the following groups of stock option activity during 2011:

Options	Number of options	Weighted average grant date fair value
Nonvested at December 31, 2010	7,933,082	$ 1.32
Granted	3,376,500	$ 2.49
Forfeited	595,125	$ 1.33
Nonvested at December 31, 2011	6,484,875	$ 1.84

Restricted Stock

In 2009, we issued 30,000 shares of

U.S. Federal: Under the tax statute of limitations applicable to the Internal Revenue Code, we are no longer subject to U.S. federal income tax examinations by the Internal Revenue Service for years before 2007. However, because we are carrying forward tax attributes, such as net operating losses and tax credits from 2007 and earlier tax years, these attributes can still be audited when utilized on returns filed in the future.

State: Under the statutes of limitation applicable to most state income tax laws, we are no longer subject to state income tax examinations by tax authorities for years before 2007 in states in which we file returns.

On July 20, 2010, we entered into a use agreement for approximately 1,100 square feet of space in Jupiter, Florida to house our molecular diagnostics operations with TSRI. Dr. Frost is a member of the Board of Trustees of TSRI and Dr. Richard Lerner, a member of our Board of Directors, was the President of TSRI until December 2011. Pursuant to the terms of the use agreement, which is e

In connection with the acquisition of Vidus Ocular, Inc. (“Vidus”), we agreed issue additional stock consideration upon the occurrence of certain events including the issuance of 488,420 shares of our common stock upon the achievement of certain development milestones and, in the event that the stock price for our common stock at the time of receipt of approval or clearance by the FDA of a pre-market notification 510(k) relating to the Aquashunt™ is not at or above a specified price, we will be obligated to issue an additional 413,850 shares of our common stock.

We are a party to other litigation in the ordinary course of business. We do not believe that any such litigation will have a material adverse effect on our business, financial condition, or results of operations.

We expect to incur substantial losses as we continue the development of our product candidates, continue our other research and development activities, and establish a sales and marketing infrastructure in anticipation of the commercialization of our diagnostic and pharmaceutical product candidates. We currently have limited commercialization capabilities, and it is possible that we may never successfully commercialize any of our diagnostic and pharmaceutical product candidates. We do not currently generate revenue from any of our diagnostic and pharmaceutical product candidates. Our research and development activities are budgeted to expand over a period of time and will require further resources if we are to be successful. As a result, we believe that our operating losses are likely to be substantial over the next several years. We may need to obtain additional funds to further d ostic and

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Note 17 Segments

We currently manage our operations in one reportable segment, pharmaceuticals, $

The outstanding contracts at the end of the year 2011 have been valued at fair value, and their maturity details are as follows:

(in thousands) Days until maturity	Contract value	Fair value at December 31, 2011	Decrease of loss
0 to 30	$ 1,232	$ 1,241	$ 9
31 to 60	116	126	10
61 to 90	402	415	13
91 to 120	35	37	2
121 to 180	106	109	3
More than 180	35	36	1
Total	$ 1,926	$ 1,964	$ 38

Note 20 Selected Quarterly Financial Data (Unaudited)

	For the 2011 Quarters Ended			
(in thousands), except per share data	March 31	June 30	September 30	December 31
Revenue	$ 6,950	$ 8,428	$ 6,807	$ 5,794
Gross margin	2,772	3,538	2,790	1,636
(Loss) income fro}r ontangoint o}oss				

In October 2011, we complete the sale of our instrumentation business to OPTOS and as a result, recorded a gain of $10.6 million. Refer to Note 4. We corrected an immaterial error related to the classification of one of the intangible assets acquired as part of the CURNA acquisition. During the three months ended December 31, 2011, we reversed $0.7 million of amortization expense previously recorded. We previously recorded $0.2 million, $0.2 million and $0.3 million during each of the three month periods ended March 31, 2011, June 30, 2011 and September 30, 2011, respectively. On December 10, 2010, we licensed our rolapitant development program and as a result, recorded $6.7 million of revenue. Refer to Note 3.

Note 21 Subsequent Events

In January 2012, we announced that we have entered into a definitive agreement to acquire ALS Distribuidora Limitada ("ALS"), a privately-held Chilean pharmaceutical company engaged in the business of importation, commercialization and distribution of pharmaceutical products for private markets in Chile. ALS started operations in 2009 as the exclusive product distributor of Arama Laboratorios y Compañía Limitada ("Arama"), a company with more than 20 years of experience in the pharmaceutical products market. In connection with the transaction, OPKO will also acquire all of the product registrations and trademarks previously owned by Arama, as well as the Arama name. The transaction is expect to close in the first quarter of 2012 and is subject to customary closing conditions.

We have reviewed all subsequent events and transactions that occurred after the date of our December 31, 2011 consolidated balance sheet date, through the time of filing this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

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, 2011. Based on that evaluation, the 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, 2011, based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. As permitted, our management's assessment of and conclusion on the effectiveness of our internal controls did not include the internal controls of FineTech Pharmaceuticals Ltd, ("FineTech") because it was acquired by us in a purchase business combination during the fourth quarter of fiscal 2011.

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, 2011.

PART III

The information required in Items 10 (Directors, Executive Officers and Corporate Governance), Item 11 (Executive Compensation), Item 12 (Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters), Item 13 (Certain Relationships and Related Transactions, and Director Independence), and Item 14 (Principal Accounting Fees and Services) is incorporated by reference to the Company's definitive proxy statement for the 2012 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of December 31, 2011.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) (1) Financial Statements: See Part II, Item 8 of this report.

(2) We filed our consolidated financial statements in Item 8 of Part II. Additionally, the financial statement schedule entitled "Schedule II – Valuation and Qualifying Accounts" has been omitted since the information required is included in the consolidated financial statements and notes thereto.

(3) Exhibits: See below.

Exhibit Number	Description
1.1	Underwriting Agreement, dated March 9, 2011, by and among OPKO Health, Inc., Jefferies & Company, Inc. and J.P. Morgan Securities LLC, as representatives for the underwriters named therein.
2.1	Merger Agreement and Plan of Reorganization, dated as of March 27, 2007, by and among Acuity Pharmaceuticals, Inc., Froptix Corporation, eXegenics, Inc., e-Acquisition Company I-A, LLC, and e-Acquisition Company II-B, LLC.
2.2	Securities Purchase Agreement, dated May 6, 2008, among Vidus Ocular, Inc., OPKO Instrumentation, LLC, OPKO Health, Inc., and the individual sellers and noteholders named therein.
2.3	Purchase Agreement, dated February 17, 2010, among Ignacio Levy García and José de Jesús Levy García, Inmobiliaria Chapalita, S.A. de C.V., Pharmacos Exakta, S.A. de C.V., OPKO Health, Inc., OPKO Health Mexicana S. de R.L. de C.V., and OPKO Manufacturing Facilities S. de R.L. de C.V.
2.4	Agreement and Plan of Merger, dated January 28, 2011, among CURNA Inc., KUR, LLC, OPKO Pharmaceuticals, LLC, OPKO CURNA, LLC, and certain individuals named therein.
2.5	Agreement and Plan of Merger, dated October 13, 2011, by and among OPKO Health, Inc., Claros Merger Subsidiary, LLC, Claros Diagnostics, Inc. and Ellen Baron, Marc Goldberg, and Michael Magliochetti on behalf of the Shareholder Representative Committee.
2.6	Stock Purchase Agreement, dated December 20, 2011, by and among FineTech Pharmaceutical Ltd., Arie Gutman, OPKO Holdings Israel Ltd., and OPKO Health, Inc.
3.1	Amended and Restated Certificate of Incorporation.
3.2	Amended and Restated By-Laws.
3.3	Certificate of Designation of Series D Preferred Stock.
4.1	Form of Common Stock Warrant.
4.2	Form of Common Stock Warrant.
10.1	Form of ĭm þ

10.4[1]	First Amendment to License Agreement, dated as of August 1, 2003, by and between the Trustees of the University of Pennsylvania and Acuity Pharmaceuticals, Inc. (Reich/Tolentino).
10.5[1]	First Amendment to License Agreement, dated as of August 1, 2003, by and between the Trustees of the University of Pennsylvania and Acuity Pharmaceuticals, Inc. (Gewirtz).
10.6[1]	Credit Agreement, dated as of March 27, 2007, by and among eXegenics, Inc., The Frost Group, LLC, and Acuity Pharmaceuticals, LLC.
10.7[1]	Amended and Restated Subordination Agreement, dated as of March 27, 2007, by and among The Frost Group, LLC, Horizon Technology Funding Company LLC, Acuity Pharmaceuticals, LLC, and eXegenics, Inc.
10.8[4]	Share Purchase Agreement, dated April 11, 2007, by and between Ophthalmic Technologies, Inc. and eXegenics, Inc.
10.9[3]	Lease Agreement dated November 13, 2007, by and between Frost Real Estate Holdings, LLC and the Company.
10.10[4]	Share Purchase Agreement, dated as of November 28, 2007, by and among Ophthalmic Technologies, Inc., OTI Holdings Limited, and the Shareholders named therein.
10.11[4]	Exchange and Support Agreement, dated as of November 28, 2007, by and among OPKO Health, Inc. and OTI Holdings Limited and the holders of exchangeable shares named therein.
10.12[4]	Stock Purchase Agreement, dated December 4, 2007, by and between members of The Frost Group, LLC and the Company.
10.13[4]*	OPKO Health, Inc. 2007 Equity Incentive Plan.
10.14[5]	Form of Director Indemnification Agreement.
10.15[5]	Form of Officer Indemnification Agreement.
10.16[6]	Stock Purchase Agreement, dated August 8, 2008 by and among the Company and the Investors named therein.
10.17[7]	Stock Purchase Agreement, dated February 23, 2009 by and between the Company and Frost Gamma Investments Trust.
10.18[7]	Promissory Note to Frost Gamma Investments Trust, dated March 4, 2009.
10.19[8]	Form of Stock Purchase Agreement for transactions between the Company and Nora Real Estate SA., Vector Group Ltd., Oracle Partners LP, Oracle Institutional Partners, LP., Chung Chia Company Limited, Gold Sino Assets Limited and Grandtime Associates Limited.
10.20[8]	Stock Purchase Agreement, dated June 10, 2009, by and among the Company and Sorrento Therapeutics, Inc.
10.21[9]	Form of Securities Purchase Agreement Series D Preferred Stock.
10.22[10]*	Form of Restricted Share Award Agreement (Director).
10.23[10]	Cocrystal Discovery, Inc. Agreements.

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SIGNATURES

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/ PHP

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EXHIBIT INDEX

Exhibit Number	Description
2.6+	Stock Purchase Agreement, dated December 20, 2011, by and among FineTech Pharmaceutical Ltd., Arie Gutman, OPKO Holdings Israel Ltd., and OPKO Health, Inc.
21	Subsidiaries of the Company.
23.1	Consent of Ernst & Young LLP.
31.1	Certification by Phillip Frost, Chief Executive Officer, pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Rao Uppaluri, Chief Financial Officer, pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Phillip Frost, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Rao Uppaluri, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101**	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2011, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Cash Flows, and (iv) Notes to Financial Statements, tagged as blocks of text.

\+ Certain confidential material contained in the document has been omitted and filed separately with the Securities and Exchange Commission.

** As provided in Rule 406T of Regulation S-T, this information is furnished herewith and not filed for purposes of sections 11 and 12 of the Securities Act of 1933, as amended, or section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 2.6

[*] CERTAIN INFORMATION IN THIS EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED PORTIONS. ASTERISKS DENOTE SUCH OMISSIONS.

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the "Agreement") is entered into as of December 20, 2011, among FineTech Pharmaceutical Ltd., an Israeli corporation (the "Company"), Arie Gutman, the Company's sole shareholder (the "Seller"), Opko Holdings Israel Ltd an Israeli corporation (the "Buyer") and OPKO Health, Inc., a company formed under the laws of Delaware (the "Parent").

Preliminary Statements

A. The Company develops, manufactures and markets Active Pharmaceutical Ingredients (API's) in specialty generic pharmaceutical markets and provides development services.

B. Seller owns all of the issued and outstanding shares of capital stock of the Company, and desires to sell to Buyer, and Buyer desires to purchase, on the terms and subject to the conditions set forth in this Agreement, all of such shares.

Agreement

In consideration of the preliminary statements and the respective mutual covenants, representations and warranties contained in this Agreement, the parties agree as set forth below.

ARTICLE 1

DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms when used in this Agreement shall have the meanings indicated below:

"Affiliate" of a specified Person means a Person who (at the time when the determination is to be made) directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the specified Person. As used in the foregoing sentence, the term "control" (including, with correlative meaning, the terms "controlling", "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, or such other relationships as, in fact, constitutes actual control.

"Agreement" means this Agreement together with all exhibits and schedules referred to herein.

"Average Closing Sales Price" means the average closing sales price of a share of OPKO Common Stock on the New York Stock Exchange for the ten (10) trading day period ending on the last trading day prior to the date of this Agreement.

"FineTech Labs" means FineTech Laboratories Ltd. an Israeli company owned by the Seller.

"Governmental Grant" means any grant, incentive, subsidy, award, participation, exemption, status, cost sharing arrangement, reimbursement arrangement or other benefit, relief or privilege prov–

"Liabilities" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due).

"Liens" means any liens, claims, charges, rights, pledges, security interests, mortgages, options, title defects or other encumbrances, restrictions or limitations of any nature whatsoever.

"Material Adverse Effect" means any change in or effect on the business of the Company that is, or could reasonably be expected to be, materially adverse to the business, assets (including intangible assets), liabilities (contingent or otherwise), condition (financial or otherwise), prospects or results of operations of the Company.

"OCS" means the Office of the Chief Scientist of the Israeli Ministry of Industry, Trade and Employment.

"OPKO Common Stock" means the common stock of Parent, par value US$.01 per share.

"Organizational Documents" means any and all documents pursuant to which an entity is organized and/or operates under the applicable laws of its jurisdiction.

"Person" means any natural person, corporation, unincorporated organization, partnership, association, joint stock company, joint venture, trust or government, or any agency or political subdivision of any government, or any other entity.

"Product Data" means all manufacturing information and data, and all submissions and correspondence with or to any governmental or regulatory authority regarding the Company's facility or any Company Product, all as any of the above is in the Company or Seller's possession or control.

"Product Inventory" all inventory owned as of the Closing Date by the Company (including sample inventory) thereof of finished Company Product or works in progress or materials used in the manufacture of finished Company Product, whether held at a location or facility of the Company (or of any other Person on behalf of the Company) or in transit to or from the Company.

"Regulatory Approvals" means the drug master file ("DMF"), regulatory approvals or registrations or submissions for the Company's manufacturing facility or the Company's Products (in the latter case, to the extent that they are the within responsibility of the Company) and all amendments and supplements thereto.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Tax(es)" means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, all gross receipts, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, assets, minimum income, environmental, customs duties, fees, real property, personal property, capital stock, social security obligations or contributions, unemployment, disability, payroll, license, employee or other withholding, or other tax or governmental charge, of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing, or credit or reimbursement in respect of the foregoing; the foregoing shall include any transferee or secondary liability for a Tax and any liability assumed by agreement or arising as a result of being (or ceasing to be) a member of any affiliated group (or being included, or required to be included, in any tax return relating thereto).

"Transaction Documents" means this Agreement, the Escrow Agreement and all other documents to be executed and delivered by any of the parties pursuant to or in connection with this Agreement and consummation of the transactions contemplated hereby.

"US$" means currency of the United States of America.

"Working Capital" means current assets of the Company (including without limitation, cash, cash equivalents, accounts receivable, inventory and prepaid expense) less current liabilities of the Company.

ARTICLE 2

PURCHASE OF SECURITIES; CONSIDERATION

2.1 Securities to be Purchased; Closing.

(a) Subject to the terms and conditions set forth herein, on the Closing Date, the Seller shall sell to Buyer, and Buyer shall purchase from the Seller, all of Seller's right, title and interest in and to the Company Capital Stock, which shall represent all of the issued and outstanding Company Capital Stock as of the Closing Date, free and clear of any and all claims or Liens of any nature whatsoever and together with all accrued benefits and rights attaching thereto.

(b) Subject to the terms and conditions of this Agreement, the sale and purchase of the Company Capital Stock contemplated hereby and the transfers and deliveries to be made pursuant to this Agreement shall take place at a closing to be completed through electronic exchange of PDF files (the "Closing") at 12:00 p.m. local time, on the Closing Date, or at such other place as may be agreed to by the parties in writing. All proceedings to be taken and all documents to be executed at the Closing shall be deemed to have been taken, delivered and executed simultaneously, and no proceeding shall be deemed taken nor documents deemed executed or delivered until all have been taken, delivered and executed.

(c) At the Closing, the Seller shall deliver or cause to be delivered to Buyer (i) a share transfer deed, which shall be in the form of **Exhibit C**, effectuating the transfer of one hundred percent (100%) of the Company Capital Stock by the Seller to the Buyer, (ii) the effective written resignation of the sole director of the Company, in the form of **Exhibit D** (iii) such other documents as required to satisfy the conditions set forth in Section 8.1.

2.2 Closing Consideration. In consideration of the sale, assignment, transfer and delivery of the Company Capital Stock by Seller to Buyer, at the Closing, Parent shall deliver on behalf of the Buyer

(ii) delivery to the Seller of that number of shares of OPKO Common Stock having an aggregate value of Fourteen Million and Five Hundred Thousand United States Dollars (US$14,500,000), and calculated by dividing such amount by the Average Closing Sales Price (the "Closing Shares"). The Closing Shares and the Escrow Shares are collectively referred to herein as the "Stock Consideration."

2.3 Milestone and Royalty Payment.

(a) As additional consideration for the sale and transfer of the Company Capital Stock from the Seller to the Buy

(c) For the purposes of releasing Escrow Shares to Buyer, the per share value of the Escrow Shares shall be deemed to be equal to the Average Closing Sales Price.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF BUYER AND PARENT

In order to induce Seller to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer and Parent jointly and severally make the representations and warranties set forth below to Seller on the date hereof.

3.1 Organization. Buyer is a corporation duly organized and validly existing under the laws of Israel. Parent is a corporation duly organized and validly existing under the laws of Delaware.

3.2 Authorization; Enforceability. Buyer and Parent have all requisite right, power and authority to execute and deliver the Transaction Documents and to consummate the transactions contemplated thereby. The execution and delivery of the Transaction Documents by Buyer and Parent and the consummation by Buyer and Parent of the transactions contemplated thereby have been duly authorized by all requisite corporate action. This Agreement has been duly executed and delivered by Buyer and Parent, and constitutes the legal, valid and binding obligation of Buyer and Parent, enforceable in accordance with its terms.

3.3 No Consent, Violation or Conflict. The execution and delivery of the Transaction Documents by Buyer and Parent, the consummation by Buyer and Parent of the transactions contemplated thereby, and compliance by the Buyer and the Parent with the provisions hereof: (a) do not and will not violate or, if applicable, conflict with any provision of Law, or any provision of Buyer's or Parent's Organizational Documents; and (b) do not and will not, with or without the passage of time or the giving of notice, result in the breach of, cause the acceleration of performance or constitute a default or require any consent under, any instrument or agreement to which Buyer and/or Parent is a party or by which Buyer and/or Parent or their properties may be bound or affected, other than instruments or agreements as to which consent shall have been obtained at or prior to the Closing Date or any breaches or defaults which would not affect the Buyer's and/or Parent's ability to consummate the transactions contemplat r

3.7 Knowledge. Buyer and Parent have sufficient knowledge of

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE COMPANY

In order to induce Buyer to enter into this Agreemaæ S s a Svaæ

4.5 Brokers. The Company and Seller have not incurred and

4.14 Real Property.

(a) The offices of the Company are located at the real property leased by the Company (the " Real Property"). The Company or Seller have delivered to Buyer true and complete copies of all of the lease agreements relating to the Real Property. The Company enjoys peaceful and undisturbed possession of the Real Property.

(b) The Company does not own any real property.

(c) All construction and improvements made on the Real Property are, as of the Closing Date, not in need of substantial repairs except for ordinary or routine maintenance or repairs.

4.15 Governmental Authorizations. The Company has all authorizations, consents, approvals, franchises, licenses and permits required under applicable Law for the ownership of the Company's properties and operation of its business as presently operated (the "Permits"). No suspension, nonrenewal or cancellation of any of the Permits is pending or, to the Seller's or Company's Knowledge, threatened, and, to the Seller's or Company's Knowledge, there is no reasonable basis therefor. The Company is not in conflict with, or in default or violation of any Permits. There has been no change in the business, as presented to the municipality of Nesher in connection with the Company's business license, since the issuance of such business license.

4.16 Compliance with Environmental Laws. The Company is in compliance with all applicable Environmental Laws. There have been no governmental claims, citations, notices of violation, judgments, decrees or orders issued against the Company for impairment or damage, injury or adverse effect to the environment or public health and there have been no private complaints with respect to any such matters. There is no condition relating to any properties of the Company that would require any type of remediation, clean-up, response or other action under applicable Environmental Laws and the Company has complied with Environmental Laws in the generation, treatment, storage and disposal of toxic and hazardous substances, as defined under any applicable Environmental Laws.

4.17 Employment Matters.

(a) Except as provided in and by applicable Law, Extension Decrees and the personal employment contracts listed in Schedule 4.19(h) of the Disclosure Schedule, there are no employment, consulting, severance or indemnification arrangements, arrangements which contain change of control provisions, agreements, or understandings between the Company and any officer, director, consultant or employee. Schedule 4.17(a) of the Disclosure Schedule contains the names, job descriptions and monthly salary rates and other benefits and compensation of all employees and consultants of the Company. Except for a safety regulations manual and written SOPs (Standard Operations Procedures), complete copy of which were made available to the Buyer, the Company has not adopted any employee policies (written or otherwise), employee manuals or other a0r othrwi ided in employee p– m ngevand 0d

the ordinary course of the business of the Company as currently conducted or any items whose expiration date has passed or will pass within six (6) months of the date hereof and of the Closing (which, with respect to items which do not have an expiration date, shall in any event not include quantities of items not usable or salable within twelve (12) months from the date hereof), the value of which has not been fully written down or reserved against in the Financial Statements. The Company has and through the Closing will continue to have adequate quantities and types of inventory to enable it to conduct its business consistent with past practices and anticipated operations. Schedule 4.23 of the Disclosure Schedule sets forth a list and a good faith estimate of the quantities of all of the Product Inventory as of the Closing Date.

4.24 Company Products; Regulatory Approvals.

(a) Each Company Product has been manufactured in accordance with (i) the product registration applicable to such Company Product, (ii) the specifications under which the Company Product is normally and has normally been manufactured, and (iii) without limiting the generality of Section 4.11, the provisions of all applicable Laws.

(b) All of the Regulatory Approvals are in full force and effect and have been duly and validly issued. There is no action or proceeding by any governmental or regulatory authority pending or, to the Knowledge of the Company, the Seller or any of their Affiliates, threatened seeking the recall of any of the Company Products or the revocation or suspension of any Regulatory Approval. The Company has made available to Buyer complete and correct copies of all Regulatory Approvals. In addition, (i) the Company has made available to Buyer a complete and correct copy of the Product Data; (ii) to the Knowledge of the Company, the Seller or any of their Affiliates, all laws and regulations applicable to the preparation and submission of the Regulatory Approvals to the relevant regulatory authorities have been complied with; (iii) to the Knowledge of the Company, the Seller or any of their Affiliates, the Company has filed with the relevant regulatory authorities all required notices, supplemental applications, and annual or other reports, including adverse experience reports, with respect to the Regulatory Approvals.

(c) Schedule 4.24(c) of the Disclosure Schedule lists all DMFs which are pending or maintained by the Company.

(d) No Company Products have at any time been recalled, withdrawn or suspended by the Company, whether voluntarily or otherwise. Without limiting the generality of Section 4.11, there are no completed or pending proceedings seeking the recall, withdrawal, suspension or seizure of any Company Product, and there are no regulatory letters, warning letters, and letters of adverse findings received by the Company or any of its agents relating to the Company or any of the Company Products.

(e) To the Seller's or Company's Knowledge, there exist no se is

(g) As of the Closing Date, all Product Inventory will conform to the specifications therefor contained in the relevant Company Contracts and in the Regulatory Approvals and with the requirements of all applicable governmental or regulatory authorities, and is capable of maintaining such until the expiration date therefor.

4.25 Intellectual Property Rights.

(a) Schedule 4.25 of the Disclosure Schedule sets forth a complete and correct list of all Intellectual Property that is owned by the Company and the Intellectual Property that the Company has a license, sublicense or other permission to use. Schedule 4.25 also indicates which Intellectual Property the Company intends to abandon. The Company owns, or has a license, sublicense or other permission or right to use, all of the Intellectual Property, free and clear of all Liens or other encumbrances, except license fees as stated in the above Schedule. The Company is the owner of record of all right, title and interest in and to the patent applications and patents that it owns and which are not listed in Schedule 4.25 as having been abandoned. All necessary registration, maintenance and renewal fees in connection with such patent applications and patents that the Company is bound to bear and wishes to maintain, or which are material to the business as presently conducted or presently contemplated to be conducted have been paid. As regards to Company-owned Intellectual Property that the Company decided to register and maintain, all necessary documents and certificates in connection with such Intellectual Property have been filed with the relevant copyright, trademark or other governmental or regulatory authorities.

(b) The Intellectual Property includes all patents and patent applications, and technology, know-how and information owned or licensed to the Company relating to the manufacture, use or sale of the Company Products and any products under development by the Company. There have been no claims made against the Company or any of its Affiliates asserting the invalidity, abuse, misuse, or unenforceability of any of the Intellectual Property, and, to the Knowledge of the Company or Seller, no grounds for any such claims exist. Neither the Company, the Seller nor any of their Affiliates has made any claim of any violation or infringement by others of its rights in the Intellectual Property, and, to the Knowledge of the Company, the Seller or any of their Affiliates, no grounds for any such claims exist. Neither the Company, the Seller nor any of their Affiliates has received any notice that it is in conflict with or infringing upon the asserted rights of others in connection with the Intellectual Property and, to the Knowledge of the Company, the Seller or any of their Affiliates, the use of the Intellectual Property by the Seller or any of its Affiliates is not infringing and has not infringed upon any rights of any other Person. Except as provided in the Company Contracts, no interest in any Intellectual Property has been assigned, transferred, licensed or sublicensed by the Company or any of its Affiliates to any Person. Neither the Company, the Seller nor any of their Affiliates has Knowledge of any act or failure to act by any of them or any of their respective directors, officers, employees, attorneys or agents during the prosecution or registration of, or any other proceeding relating to, any patent application regarding Company-owned Intellectual Property or of any other fact which could render invalid or unenforceable, or negate the right to issuance of patents upon such applications.

(c) Seller irrevocably and unconditionally waives any former, present or future right to claim royalties in relation to any Intellectual Property.

(d) Notwithstanding any other provision of this Agreement, it is hereby acknowledged that the Company has engaged, through the years, in development projects for customers (such as Teva, Opko and others), where the development was funded by the customer, and the ensuing intellectual property rights belong to the said customers. Such intellectual property rights are specifically excluded from the Intellectual Property, even if records of these projects exist in the Company.

4.26 Power of Attorney. The Company has not issued, granted or executed any powers of attorney on behalf of the Company which are in force at the Closing Date.

4.27 Company Cash; Working Capital. As of the Closing Date, the Company will have at least **** United States Dollars (US$****) of cash and cash equivalents on hand, and the Company's Working Capital (exclusive of cash and cash equivalents) shall be at least One United States Dollar (US$1). For the purposes of this Section, any amount owed to the Company for services rendered to Parent prior to the Closing Date will be calculated as if it were paid in cash prior to the Closing Date.

4.28 Absence of Material Adverse Effects. Except as set forth on Schedule 4.28 of the Disclosure Schedule, since December 31, 2010, the Company has conducted its business only in the ordinary and usual course and in a manner consistent with past practices and, since such date there has been no Material Adverse Effect and the Company has not engaged or agreed to engage in any actions described in Section 7.1(b)(i)–(xxii).

4.29 Accounts and Notes Receivable and Payable. Set forth on Schedule 4.29 of the Disclosure Schedule is a true and complete aged list of unpaid accounts and notes receivable owing to and owed by the Company as of the date hereof. All of such accounts and notes receivable and payable constitute bona fide, valid and binding claims arising in the ordinary course of the Company's business. Except as set forth on Schedule 4.29, there is no agreement for deduction, free goods, discounts, or other deŽ W

delivered to Buyer accurate and complete copies of: (i) all applications and related documents and correspondence submitted by the Company to the Investment Center, the OCS and any other Governmental Authority; and (ii) all certificates of approval and letters of approval (and supplements thereto) granted to the Company by the Investment Center, the OCS and any other Governmental Authority. In each such application submitted by or on behalf of the Company, all information required by such application has been disclosed accurately and completely. Except for undertakings set forth in such letters of approval and under applicable law, there are no undertakings of the Company given in connection with any Governmental Grant. The Company is in compliance with the terms, conditions, requirements and criteria of all Governmental Grants, except for any noncompliance with such Governmental Grants that would not cause the Company to lose a material benefit or incur any material liability and the Company has duly fulfilled all conditions, undertakings and other obligations relating thereto. Except as set forth in Schedule 4.31, no Governmental Authority: (i) has awarded any participation or provided any support to Company; or (ii) is or may become entitled to receive any royalties or other payments from the Company in consideration of such participation or support. Schedule 4.31 also specifies all Company Products or product candidates that were developed with the support or funding of the OCS and any special conditions relating thereto contained in any OCS research committee approval.

4.32 Accuracy of Information Furnished. To the knowledge of the Seller, no representation, statement or information contained in this Agreement (including the various Exhibits attached hereto) or any agreement executed in connection herewith or in any certificate or other document delivered pursuant hereto or thereto or made or furnished to the Buyer or its representatives by the Seller, contains or shall contain any untrue statement of a material fact or omits or shall omit any material fact necessary to make the information contained herein and therein, in light of the circumstances under which they were made, not misleading. Copies of all documents listed or described in the various Exhibits attached hereto and provided by Seller to the Buyer are true, accurate and complete.

ARTICLE 5

ADDITIONAL AGREEMENTS

5.1 Noncompetition.

(a) The Seller acknowledges that in order to assist Buyer in retaining the value of the Company as a "going concern," the Seller agrees not to utilize his special knowledge of the business of the Company and its relationships with customers, suppliers and others to compete with the Company in the business of the Company as presently conducted or contemplated to be conducted, including without limitation, the development, manufacturing or marketing of APIs in specialty generic markets. For a period which expires on the later of four (4) years beginning on the Closing Date or two (2) years following the termination of any consulting relationship with the Company (the "Noncompete Period"), neither Seller nor any of his Affiliates shall engage or have an interest in (directly or indirectly) any entity that competes with such business of the Company anywhere in Israel or any other geographic area where the Company does business alone or in association with others, as principal, officer, agent, employee, director, partner or stockholder, or through the inlographm's rad r

deemed amended (with respect only to the jurisdiction in which such adjudication is made) in such manner as to render them enforceable and to effectuate as nearly as possible the original intentions and agreement of the parties.

5.4 Investment Intent; Accredited Investor Status; Restrictions on Sale.

(a) Seller represents that he has such knowledge and experience in business or financial matters that it is capable of evaluating the merits and risks of an investment in the Stock Consideration. Seller understands and acknowledges that the Stock Consideration has not been registered with the SEC and that he may not sell, transfer or otherwise dispose of all or any portion of the Stock Consideration except (i) in accordance with the provisions of SEC Rule 144 and/or pursuant to a valid exemption from registration under the Securities Act, (ii) pursuant to an effective registration statement under the Securities Act or (iii) upon receipt by Parent of an opinion of counsel acceptable to Parent to the effect that such sale, transfer or disposition is otherwise exempt from registration under the Securities Act. Certificates representing the Stock Consideration shall bear a restrictive legend.

(b) In order to induce Buyer and Parent to enter into this Agreement and consummate the transactions contemplated hereby, the Seller hereby agrees that he will not, and will not permit any of his successors or assigns to offer, pledge, sell, contract to sell, or otherwise transfer or dispose of, directly or indirectly, (collectively, a "Disposition") for a one-year period beginning on the Closing Date (the "Lock-Up Period"), seventy five percent (75%) of the shares of the Stock Consideration issuable in the transaction (the "Locked-Up Shares"). The foregoing restriction is expressly agreed to preclude the Seller from engaging in any hedging or other transaction which is designed to or reasonably expected to lead to or result in a Disposition of the Locked-Up Shares during the Lock-Up Period. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any Locked-Up Shares or with respect to any security that includes, relates to or derives any significant part of its value from the Locked-Up Shares during the Lock-Up Period. To avoid doubts and notwithstanding the foregoing provisions, at any time during the Lock-Up Period Seller may enter into any contractual or other arrangements regarding Disposition of the Locked-Up Shares, provided that actual transfer of title may not occur prior to the end of the Lock-Up Periodom the Lo ph mpsp tohe eot

5.5 FineTech Labs; Change of Name. The Seller undertakes to act promptly and to deliver a certificate of change of name of FineTech Labs issued by the Registrar, evidencing the change of FineTech Lab's registered name to a name that does not include "FineTech" or a similar sounding name, within thirty (30) days of the Closing Date. Moreover, Seller undertakes that neither he nor any of his Affiliates shall use the name "FineTech" as a trade name.

ARTICLE 6

SURVIVAL; INDEMNIFICATION

6.1 Investigation. The representations, warranties and covenants set forth in this Agreement, as excepted in the relevant Disclosure Schedules, shall not be affected or diminished in any way by any investigation (or failure to investigate) at any time by or on behalf of the party for whose benefit such representation, warranties and/or covenants were made.

6.2 Survival of the Representations and Warranties. The representations and warranties and indemnification obligations of the Seller the Company, the Parent and the Buyer shall survive the Closing Date for a period of **** from the Closing Date and no claim for indemnification may be made after such time, provided, however, that (i) the representations in Section 4.7 (Capitalization) and 4.8 (Rights, Warrants, Options) shall survive indefinitely and claims for indemnification can be made at any time; and (ii) the representations and warranties set forth in Sections 4.16 (Compliance with Environmental Laws) and 4.20 (Tax Matters) shall survive the Closing Date until the expiration of the period specified in the applicable statute of limitations and claims for indemnification can be made within such periods.

6.3 General Release. Except as otherwise provided for herein, the Seller hereby unconditionally and irrevocably releases and forever discharges, effective as of the Closing Date, each of the Company and its officers, directors, employees and agents, from any and all rights, claims, demands, judgments, obligations, liabilities and damages towards the Seller or any of its Affiliates, whether accrued or unaccrued, asserted or unasserted, and whether known or unknown, relating to the Company which ever existed or now exist towards the Seller or any of its Affiliates, or may hereafter exist, by reason of any tort, breach of contract, violation of law or other act or failure to act which shall have occurred at or prior to the Closing Date. None of the information supplied by the Company or its professional advisors to the Seller or his agents, representatives or advisors in connection with the representations and warranties set forth in Article 4 or otherwise in relation to the business or affairs of the Company shall be deemed a representation, warranty or guarantee of its accuracy by the Company to the Seller, and the Seller waives any claims against the Company which it might otherwise have in respect of it.

6.4 Indemnification.

(a) Indemnification by Seller. Subject to the limitations set forth below, Seller agrees to defend, indemnify and hold harmless Buyer and its Affiliates and their respective directors, officers, employees and agents from, against and in respect of, the full amount (subject to the limitations of Sections 6.2 and 6.5) of:

(i) (A) any and all actions, suits, proceedings, demands, liabilities, damages, claims, deficiencies, fines, penalties, interest, assessments, judgments, losses, Taxes, costs and expenses, including, without limitation, reasonable fees and disbursements of counsel (collectively, the "Indemnified Losses") arising from or in connection with any breach or violation of any of the representations and warranties of the Company or Seller contained in this Agreement or (B) any and all Indemnified Losses arising from or in connection with any breach

(c) Indemnification Procedure as to Third Party Claims.

(i) Promptly after any party seeking indemnification under this Agreement (the "Indemnified Party") obtains knowledge of the commencement of any third party claim, action, suit or proceeding or of the occurrence of any event or the existence of any state of facts which may become the basis of a third party claim (any such claim, action, suit or proceeding or event or state of facts being hereinafter referred to in this Section 6.4 as a "Claim"), in respect of which an Indemnified Party is entitled to indemnification under this Agreement, such Indemnified Party shall ~~f~~a ch Indemnif

6.5 Limitations on Liabilities.

(a) Notwithstanding anything to the contrary contained herein, in no event shall the aggregate sums payable by the Seller under Section 6.4 or otherwise for the breach of the representations and warranties under this Agreement (whether arising in law or equity, in contract, tort or any other theory of law, other than sums payable as a result of breaches of the representations and warranties set forth in Sections 4.7 and 4.8, exceed the Ceiling defined below; and the Company, the Parent and Buyer hereby waive, each on its own behalf and on behalf of its Affiliates and their respective directors, officers, employees and agents, any excess amounts of Indemnified Losses. The Ceiling during the first year after the Closing Date will be **** percent (****%) of the shares constituting the Stock Consideration, and such Ceiling will be reduced to **** (****%) of the shares constituting the Stock Consideration during the second year after the Closing Date.

(b) Notwithstanding anything to the contrary contained herein, neither party shall be obligated to indemnify and hold harmless the other under Section 6.4 for breaches of representations and warranties unless and until all Indemnified Losses in respect of which such party is obligated to provide indemnification exceed **** United States Dollars (US$****) (the "Basket Amount") following which (subject to the provisions of Section 6.2 and this Section 6.5) such party shall be obligated to indemnify and hold harmless, the other party for all such Indemnified Losses (not merely the amount by which the Indemnified Losses exceed the Basket Amount); provided however that the Basket Amount shall not apply to indemnity obligations for Indemnified Losses arising as a result of breaches of the representations and warranties in Sections 4.7, 4.8 and 4.27.

(c) Notwithstanding anything to the contrary set forth herein, the indemnification liability of either party as set forth in Section 6.4 and as limited by Section 6.2 and this Section 6.5 constitutes the sole and exclusive remedy for the other party and its Affiliates and their respective directors, officers, employees and agents for any breach of any and all representations and warranties under this Agreement.

(d) Notwithstanding anything to the contrary set forth herein, neither party shall be liable for special, punitive, exemplary, consequential or indirect damages, or lost profits, whether based on contract, tort, strict liability, other theory of law or otherwise.

(e) Notwithstanding anything to the contrary set forth herein, none of the limitations on indemnification set forth in this Section 6.5 shall apply to matters relating to intentional or fraudulent breaches, violations or misrepresentations.

6.6 Form of Payment. Whenever Seller is bound to pay indemnification amounts, Seller may, at his absolute discretion, do so in one of the following ways or in any combination of these two ways, provided that the due indemnification amount is paid in full: (a) make cash payment, and/or (b) transfer back to Buyer or instruct the Escrow Agent to transfer back to Buyer shares out of the Stock Consideration, and for that purpose the value of each such back-transferred share will be a sum equal to the Average Closing Sales Price.

ARTICLE 7

INTERIM COVENANTS

7.1 Interim Operations of the Company.

(a) The Company and the Seller covenant and agree that, from the date hereof until the Closing Date the Company shall operate the business in accordance with its ordinary course and past practice. In addition during the period commencing on the date hereof and until the Closing Date, each of the Company and the Seller shall, except to the extent the Buyer specifically gives its prior written consent to the contrary:

(i) use its commercially reasonable efforts to preserve intact its business organization and the goodwill of its customers, suppliers and others having business relations with it;

(ii) use its commercially reasonable efforts to keep available to Buyer the services of the Company's officers, employees and agents;

(iii) promptly furnish to Buyer a copy of any correspondence received from or delivered to any governmental authority;

(iv) maintain and keep its properties and assets in the same repair and condition as they were on the date of this Agreement;

(v) continue and maintain the approval process in the ordinary course of business with respect to the Company Products and any products being developed by the Company; and

(vi) continuously maintain insurance coverage substantially equivalent to the insurance coverage in existence on the date of this Agreement.

(b) Additionally, during the period from the date of this Agreement to the Closing Date, except with the prior consent of Buyer, the Company shall not and the Seller shall not permit the Company to, directly or indirectly:

(i) amend or otherwise change the Company's Organizational Documents;

(ii) issue, sell or authorize for issuance or sale, shares of any class of its securities (including, but not limited to, by way of stock split or dividend) or any subscriptions, options, warrants, rights or convertible securities, or enter into any agreements or commitments of any character obligating it to issue or sell any such securities;

(iii) redeem, purchase or otherwise acquire directly or indirectly any shares of its capital stock or any option, warrant or other right to purchase or acquire any such shares;

(iv) declare or pay any dividend or other distribution (other than dividends or distributions payable solely in cash);

(v) sell, transfer, surrender, abandon or dispose of any of its assets or property rights (tangible or intangible), except for sales or dispositions of inventory in the ordinary course of business consistent with past practice;

(vi) grant, make or subject itself or any of its assets or properties to any Lien;

(vii) create, incur or assume any liability or indebtedness which would remain with the Company after the Closing Date, except in the ordinary course of business consistent with past practice;

(viii) enter into, amend or terminate any Company Contract;

(ix) commit to make any capital expenditures in excess of Thirty Thousand United Stated Dollars (US$30,000) which would be payable by the Company after the Closing Date;

(x) grant any guaranty;

(xi) waive, release, assign, settle or compromise any material claim or litigation;

(xii) except as required by Law, increase the compensation payable or to become payable to employees or grant any rights to severance or termination pay to, or enter into any employment or severance agreement with any employee or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any employee;

(xiii) acquire (including, without limitation, by merger, consolidation or acquisition of stock or assets) any interest in any corporation, partnership, other business organization, Person or any division thereof or any assets;

(xiv) alter the manner of keeping its books, accounts or records, or change in any manner the accounting practices therein reflected;

(xv) make any Tax election or settle or compromise any material federal, state or l

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(h) Share Certificates and Deeds of Transfer. Seller shall have delivered to Buyer one or more share certificates representing all of the Company Capital Stock (or a written declaration of loss or destruction in lieu thereof in a form acceptable to Buyer) accompanied by a duly executed deg**o** written e Ď ®

(iv) by Buyer

that after the Closing, the Company will pay an amount of Twenty Thousand US Dollars (US$20,000) to the law firm Primes, Shiloh, Givon, Meir; and such amount will be presented as a payable amount in the Closing Trial Balance. Except as set out in the preceding sentence, the Company will not be liable for the payment of any other legal fees in connection with the transactions contemplated under this Agreement, and payment of any such additional legal fees shall be sole responsibility of the Seller.

9.8 Headings and References. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provisions of this Agreement. References in this Agreement to clauses, subclauses, sections, articles or schedules are references to clauses, subclauses, sections, articles or schedules of this Agreement so numbered.

9.9 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

9.11 Litigation; Prevailing Party. In the event of any litigation with regard to this Agreement, the prevailing party or parties shall be entitled to receive from the non-prevailing party or parties and the non-prevailing party or parties shall pay upon demand all reasonable fees and expenses of counsel for the prevailing party or parties; provided, however, to the extent tT

brought in an inconvenient forum. To the extent that any party hereto has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, it hereby irrevocably waives such immunity in respect of its obligations under this Agreement and the transactions contemplated hereby to the extent permitted by law.

9.14 Publicity. The parties shall agree to the content of any press release or other public announcement concerning this Agreement or the transactions contemplated hereby before issuing the same. Nothing contained herein shall prevent any party from at any time furnishing any information to any governmental authority which it is by law or otherwise so obligated to disclose or from making any disclosure which its counsel deems necessary or advisable in order to fulfill such party's disclosure obligations under applicable U.S. law or the rules of the any stock exchange to which the party is subject.

9.15 Withholding Taxes. Seller has obtained, and has submitted to Buyer, a certificate issued by the Tax Authority of Israel, providing an exemption from withholding tax at source. Therefore, Buyer and Parent shall not deduct and shall not withhold from any consideration payable or otherwise deliverable to the Seller pursuant to Section 2.2. The Buyer shall be entitled to deduct such amounts as the Buyer is required to deduct or withhold from payments due pursuant to Section 2.3 under applicable law in Israel, with respect to the making of such payments. To the extent that such amounts are so withheld by the Buyer, (i) such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Seller, and (ii) if the withheld amounts are remitted to the Israel tax authority the Buyer shall provide to the Seller written confirmation of the amount so withheld and remitted.

(Signatures on following page)

Exhibit 21

SUBSIDIARIES OF OPKO HEALTH, INC.

NAME	JURISDICTION OF INCORPORATION
OPKO Instrumentation, LLC	Delaware
OPKO Pharmaceuticals, LLC	Delaware
Froptix LLC	Florida
Claros Diagnostics, LLC	Delaware
Vidus Ocular, Inc.	Delaware
Pharma Genexx, S.A.	Chile
Pharmacos Exakta S.A. de C.V.	Mexico
FineTech Pharmaceutical Ltd.	Israel

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of OPKO Health, Inc. (the "Company") on Form 10-K for the year ended December 31, 2011

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of OPKO Health, Inc. (the "Company") on Form 10-K for the year ended December 31, 2011 (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 15, 2012