

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXC**

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- Acquisitions may disrupt our business, distract our management and may not proceed as planned; and we may encounter difficulties in integrating acquired businesses.
- Non-U.S. governments often impose strict price controls, which may adversely affect our future profitability.
- Political and economic instability in Europe and Latin America and political, economic, and military instability in Israel could adversely impact our operations.
- Our business may become subject to legal, economic, political, regulatory and other risks associated with international operations.
- The market price of our Common Stock may fluctuate significantly.
- Directors, executive officers, principal stockholders and affiliated entities own a significant percentage of our capital stock, and they may make decisions that you may not consider to be in your best interests or in the best interests of our stockholders.
- Compliance with changing regulations concerning corporate governance and public disclosure may result in additional expenses.
- If we are unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as they apply to us, or our internal controls over financial reporting are not effective, the reliability of our financial statements may be questioned and our Common Stock price may suffer.
- We may be unable to maintain our listing on the NYSE, which could cause our stock price to fall and decrease the liquidity of our Common Stock.
- Future issuances of Common Stock and hedging activities may depress the trading price of our Common Stock.
- Provisions in our charter documents and Delaware law could discourage an acquisition of us by a third party, even if the acquisition would be favorable to you.
- We do not intend to pay cash dividends on our Common Stock in the foreseeable future.

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**PART I. FINANCIAL INFORMATION**

Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to the “Company”, “OPKO”, “we”, “our”, “ours”, and “us” refer to OPKO Health, Inc., a Delaware corporation, including our wholly-owned subsidiaries.

**Item 1. Financial Statements**

**OPKO Health 9aiaial SHB0**

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**OPKO Health, Inc. and Subsidiaries**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(unaudited)  
(In thousands)

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net loss attributable to common shareholders	\$(10,206)	\$ (8,836)	\$(30,180)	\$(21,546)
Other comprehensive loss, net:				
Change in foreign currency translation adjustment	1,960	(2,548)	2,570	(2,312)
Available for sale investments:				
Change in unrealized gains (losses), net	<u>322</u>	<u>(175)</u>	<u><del>57</del>27</u>	<u>(175)</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



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

	For the nine months ended	
	September 30,	
	2012	2011
<b>Cash flows from operating activities:</b>		
Net loss	\$(28,500)	\$ (19,686)
(Income) loss from discontinued operations, net of tax	(183)	2,841
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,447	2,858
Accretion of debt discount related to notes payable	—	2
Equity-based compensation - employees and non-employees	3,281	5,350
Loss from investments in investees	1,464	1,175
Provision for bad debt	11	260
Provision for inventory obsolescence	1,520	534
Revenue from receipt of equity in Neovasc	(159)	—
Unrealized gains on derivative instruments	(1,309)	—
Change in fair value of contingent consideration	2,665	—
Changes in assets and liabilities of continuing operations, net of the effects of acquisitions:		
Accounts receivable	(1,523)	(2,523)
Inventory	(4,443)	4,080
Prepaid expenses and other current assets	(1,312)	224
Other assets	77	53
Accounts payable	(331)	(3,652)
Foreign currency measurement	(204)	—
Accrued expenses	459	850
Cash used in operating activities of continuing operations	(19,701)	(7,632)
Cash provided by (used in) operating activities of discontinued operations	—	—







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must be performed. An entity is permitted to perform the qualitative assessment on none, some or all of its reporting units and may also elect to bypass the qualitative assessment and begin with the quantitative assessment of goodwill impairment. This amendment did not have a material impact on our condensed consolidated financial statements.

**NOTE 3 LOSS PER SHARE**

Basic loss per share is computed by dividing our net loss by the weighted average number of shares outstanding during the period. Diluted loss per share is computed by dividing our net loss by the weighted average number of shares outstanding and the impact of all dilutive potential common shares, primarily stock options. The dilutive impact of stock options and warrants is determined by applying the treasury stock method.

[Table of Contents](#)**NOTE 4 COMPOSITION OF CERTAIN FINANCIAL STATEMENT CAPTIONS**

(In thousands)	September 30, 2012 (unaudited)	December 31, 2011 (audited)
<b>Accounts receivable, net</b>		
Accounts receivable	\$ 19,490	\$ 12,984
Less: allowance for doubtful accounts	(348)	(440)
	<u>\$ 19,142</u>	<u>\$ 12,544</u>
<b>Inventories, net</b>		
Finished products	\$ 17,750	\$ 11,100
Work-in process	633	277
Raw materials	4,513	2,287
Less: reserve for obsolescence	(1,408)	(325)
	<u>\$ 21,488</u>	<u>\$ 13,339</u>
<b>Intangible assets, net</b>		
Customer relationships	\$ 19,232	\$ 18,386
In-process research and development	11,504	10,000
Technology	50,211	47,100
Product registrations	9,638	3,895
Tradename	1,921	827
Covenants not to compete	1,758	1,560
Other	297	297
Less: accumulated amortization	(11,975)	(5,335)
	<u>\$ 82,586</u>	<u>\$ 76,730</u>
<b>Accrued expenses</b>		
Income taxes payable	\$ 649	\$ 484
Deferred revenue	955	530
Clinical trials	58	7
Professional fees	817	632
Employee benefits	1,910	907
Deferred acquisition payments, net of discount	5,983	—
Contingent consideration	7,992	—
Other	3,430	2,396
	<u>\$ 21,794</u>	<u>\$ 4,956</u>
<b>Other long-term liabilities</b>		
Contingent consideration	\$ 13,909	\$ 18,002
Deferred acquisition payments, net of discount	3,769	—
Deferred tax liabilities	10,845	6,863
Long-term debt	3,954	—
Other including deferred revenue	453	578
	<u>\$ 32,930</u>	<u>\$ 25,443</u>

The change in value of the intangible assets includes the acquisitions of Farmadiet and ALS Distribuidora Limitada (“ALS”) (Refer to Note 5) and the foreign currency fluctuation between the Chilean and Mexican pesos against the US dollar at September 30, 2012 and December 31, 2011.








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The stock market trading activity in BZNE does not represent an active market and as such, we determined the fair market value utilizing a business enterprise valuation approach in order to determine the fair value of our investment.

In August 2011, we made an investment in Neovasc Inc. (“Neovasc”), a Canadian publicly-traded me nÒ in or E iN









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	<u>As of</u>
<u>(In thousands)</u>	



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**RECENT DEVELOPMENTS**

On October 18, 2012, we entered into a definitive merger agreement to acquire Prost-Data, Inc., doing business

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. Other operating expenses were \$2.2 million for the three months ended September 30, 2012, compared to \$0.9 million for the comparable period of 2011. Other operating expenses primarily include the amortization of intangible assets. Amortization expenses increased due to the acquisitions of Farmadiet, ALS, FineTech and OPKO Diagnostics in August 2012, April 2012, December 2011 and October 2011, respectively.

. Other income and (expense), net was (\$0.1) million for the three months ended September 30, 2012, compared to other income and (expense), net of (\$0.7) million for the comparable 2011 period. Other income and (expense), net primarily consists of our interest incurred on our lines of credit in Chile and interest incurred on our lines of credit and deferred payments in Spain, partially offset by interest earned on our cash and cash equivalents and the benefit from our Chilean and Mexico operations functional currencies strengthening during the three months ended September 30, 2012. Other income and (expense), net includes \$0.2 million of other income recognized for the change in fair value of the warrants received in connection with our investment in Neovasc, Inc. ("Neovasc").

We had \$0.2 million of income from discontinued operations for the three months ended September 30, 2012, compared to a loss of \$1.5 million for the comparable period of 2011. The income for the three months ended September 30, 2012 reflects the recovery of certain retained accounts receivable from our ophthalmic instrumentation business, compared to the loss of the business to Optos, Inc., a subsidiary of Optos plc (collectively "Optos"). The 2011 results reflect the operating loss of our ophthalmic instrumentation business for that period. Following our sale to Optos, we no longer have ongoing operations related to that business.

# . Our income tax benefit reflects the income tax benefit resulting from our businesses in Chile; it reflects million euros

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In connection with the acquisition of ALS, we paid (i) \$2.4 million in cash at the closing, less certain liabilities, and (ii) \$0.8 million in cash at the closing into a separate escrow account to satisfy possible indemnity claims. We agreed to pay an additional \$0.8 million, the remainder of the \$4.0 million purchase price, upon the legal registration in the name of ALS of certain trademarks and product registrations previously held by the seller Arama Laboratorios y Compañía Limitada.

In connection with our acquisitions of CURNA, OPKO Diagnostics and FineTech, we agreed to pay future consideration to the sellers upon the achievement of certain events, including minimum cash payments of \$5.0 million to the former stockholder of FineTech upon the achievement of certain sales milestones, and up to an additional \$19.1 million in shares of the our Common Stock to the former stockholders of OPKO Diagnostics upon and subject to the achievement of certain milestones.

As of September 30, 2012, we had outstanding lines of credit in the aggregate amount of \$15.9 million with 15 financial institutions in Chile and Spain, with an additional \$6.4 million available for additional borrowings. The weighted average interest rate on these lines of credit is approximately 7% for the nine months ended September 30, 2012. These lines of credit are short-term and are generally due within three months. We use these lines of credit primarily as a source of working capital for inventory purchases. The highest balance at any time during the three months ended September 30, 2012, was \$15.9 million. We intend to continue to enter into these lines of credit as needed. There is no assurance that these lines of credit or other funding sources will be available to us on acceptable terms, or at all, in the future.

Our unutilized \$12.0 million line of credit with the Frost Group, LLC expired on March 31, 2012 and no amounts were borrowed after June 2, 2010 when it was repaid in full. The Frost Group members include a trust controlled by Dr. Frost, who is the Company's Chief Executive Officer and Chairman of our Board of Directors, Dr. Hsiao, who is the Vice Chairman of our Board of Directors and Chief Technical Officer and Mr. Rubin who is Executive Vice President - Administration and a director of the Company.

We expect to incur losses from operations for the foreseeable future. We expect to incur substantial research and development expenses, including expenses related to the hiring of personnel and additional clinical trials. We expect that selling, general and administrative expenses will also increase as we expand our sales, marketing and administrative staff and add infrastructure.

We believe the cash, cash equivalents, and marketable securities on hand at September 30, 2012 and the amounts available to be borrowed under our lines of credit are sufficient to meet our anticipated cash requirements for operations and debt service beyond the next 12 months. We based this estimate on assumptions that may prove to be wrong or are subject to change, and we may be required to use our available cash resources sooner than we currently expect. If we acquire additional assets or companies, accelerate our product development programs or initiate additional clinical trials, we will need additional funds. Our future cash requirements will depend on a number of factors, including possible acquisitions, the continued progress of research and development of our product candidates, the timing and outcome of clinical trials and regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending, and enforcing patent claims and other intellectual property rights, the status of competitive products, the availability of financing, and our success in developing markets for our product candidates. If we are not able to secure additional funding when needed, we may have to delay, reduce the scope of, or eliminate one or more of our clinical trials or research and development programs or possible acquisitions.

We intend to finance additional research and development projects, clinical trials and our future operations with a combination of available cash on hand, payments from potential strategic research and development, licensing and/or marketing arrangements, public offerings, private placements, debt financing and revenues from future product sales, if any. There can be no assurance, however, that additional capital will be available to us on acceptable terms, or at all.



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**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and affect the re

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components of comprehensive income in either (1) a continuous statement of comprehensive income, or (2) two separate but consecutive statements of net income and other comprehensive income. We modified our condensed consolidated financial statements presentation using the latter alternative.

On January 1, 2012, we adopted revised guidance issued by the FASB related to the testing of goodwill for impairment. Under the revised guidance, an entity has the option to perform a qualitative assessment of whether it is more-likely-than-not that a reporting unit's fair value is less than its carrying value prior to performing the two-step quantitative goodwill impairment test. If, based on the qualitative factors, an entity determines that the fair value of the reporting unit is greater than its carrying amount, then the entity would not be required to perform the two-step quantitative impairment test for that reporting unit. However, if the qualitative assessment indicates that it is not more-likely-than-not that the reporting unit's fair value exceeds its carrying value, then the quantitative assessment must be performed. An entity is permitted to perform the qualitative assessment on none, some or all of its reporting units and may also elect to bypass the qualitative assessment and begin with the quantitative assessment of goodwill impairment. This amendment did not have a material impact on our condensed consolidated financial statements.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

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

**Foreign Currency Exchange Rate Risk** – Although we do not speculate in the foreign exchange market, we may from time to time manage exposures that arise in the normal course of business related to fluctuations in foreign currency exchange rates by entering into offsetting positions through the use of foreign exchange forward contracts. Certain firmly committed transactions are hedged with foreign exchange forward contracts. As exchange rates change, gains and losses on the exposed transactions are partially offset by gains and losses related to the hedging contracts. Both the exposed transactions and the hedging contracts are translated at current spot rates, with gains and losses included in earnings.

Our derivative activities, which consist of foreign exchange forward contracts and swaps, are initiated to hedge forecasted cash flows that are exposed to foreign currency risk. The foreign exchange forward contracts generally require us to exchange local currencies for foreign currencies based on pre-established exchange rates at the contracts' maturity dates. As exchange rates change, gains and losses on these contracts are generated based on the change in the exchange rates that are recognized in the consolidated statement of operations at maturity, and offset the impact of the change in exchange rates on the foreign currency cash flows that are hedged. If the counterparties to the exchange contracts do not fulfill their obligations to deliver the contracted currencies, we could be at risk for currency related fluctuations. We enter into these contracts with counterparties that we believe to be creditworthy and do not enter into any leveraged derivative transactions. We had \$3.4 million in foreign exchange forward contracts outstanding at September 30, 2012, primarily to hedge Chilean-based operating cash flows against US dollars. If Chilean Pesos were to strengthen in relation to the US dollar, our loss or gain on hedged foreign currency cash-flows would be offset by the derivative contracts, with a net effect of zero.

We do not engage in trading market risk sensitive instruments or purchasing hedging instruments or "other than trading" instruments that are likely to expose us to significant market risk, whether interest rate, foreign currency exchange, commodity price, or equity price risk.

**Interest Rate Risk** – Our exposure to market risk relates to our cash and investments and to our borrowings. We maintain an investment portfolio of money market funds. The securities in our investment portfolio are not leveraged, and are, due to their very short-term nature, subject to minimal interest rate risk. We currently do not hedge interest rate exposure. Because of the short-term maturities of our investments, we do not believe that a change in market interest rates would have a significant negative impact on the value of our investment portfolio except for reduced income in a low interest rate environment. At September 30, 2012, we had cash, cash equivalents and marketable securities of \$42.4 million. The weighted average interest rate earned related to our cash and cash equivalents for the three months ended September 30, 2012 was approximately 0%. As of September 30, 2012, the outstanding amount under our credit lines was \$15.9 million at a weighted average interest rate of approximately 7% for the nine months ended September 30, 2012.

The primary objective of our investment activities is to preserve principal while at the same time maximize return on that investment.







**SIGNATURES**

Pursuant to the requirements 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.

Date: November 9, 2012

**OPKO Health, Inc.**

/s/ Adam Logal

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Adam Logal  
Vice President, Finance, Chief Accounting  
Officer and Treasurer

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**Exhibit Index**

<b>Exhibit Number</b>	<b>Description</b>
Exhibit 2.8+	Stock Purchase Agreement, dated August 2, 2012, among Farmadiet Group Holding, S.L., the Sellers party thereto, and Shebeli XXI, S.L.U.
Exhibit 31.1	Certification by Phillip Frost, Chief Executive Officer, pursuant to Rule 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 for the quarterly period ended September 30, 2012.
Exhibit 31.2	Certification by Juan Rodriguez, Chief Financial Officer, pursuant to Rule 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 for the quarterly period ended September 30, 2012.
Exhibit 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 for the quarterly period ended September 30, 2012.
Exhibit 32.2	Certification by Juan Rodriguez, Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended September 30, 2012.
101.INS <sup>TM</sup>	

[\*] 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 August 2, 2012, among Farmadiet Group Holding, S.L., a Spanish company with corporate domicile at Carrer dels Blanquers 85, 17820, Banyoles (Girona), registered with the Commercial Registry of Girona, at Page GI-28881, and holder of Spanish Tax Number (C.I.F.) B-17681230 (the "Company"), those individuals and legal entities listed on Schedule A hereto, the Company's sole shareholders (the "Sellers"), **OPKO Health, Inc.**, a company formed under the laws of Delaware, with corporate domicile at c/o The Prentice-Hall Corporation System, Inc., 2711 Centreville Road, Suite 400, Wilmington, Delaware, registered with the Secretary of State of Delaware under number 2279206, and holder of Spanish Tax Number (C.I.F.) N4006483D and with principal place of business in 4400 Biscayne Boulevard, Miami, Florida 33137 ("OPKO") and Shebeli XXI, S.L.U., a company organised under the laws of Spain, with corporate domicile at Ronda Sant Pere 17, 2º Barcelona, and having Tax Identification Number ("CIF") B-65831075, registered in the Commercial Registry of Barcelona, (the "Buyer").

The Buyer is represented by Mr. Juan Felipe Rodriguez, of legal age, citizen of the United States of America, married, with domicile at \*\*\* (United States of America), and holding a passport number \*\*\*, and Mrs. Laurel Kate Inman, of legal age, citizen of the United States of America, married, with domicile at \*\*\* (United States of America), and holding a passport number \*\*\*, in their capacity as joint directors of the aforementioned company, pursuant to the notarial deed granted before the Notary Public of the city of Barcelona, Ms. María Isabel Gabarró Miquel, on July 30, 2012, with number 1,470 of his official register.

OPKO Health, Inc. is represented hereto by Mr. Steve Rubin, of legal age, married, of United States of America nationality, with professional domicile in c/o The Prentice Hall Corporation System, Inc., 2711, Centreville Road, Suite 400, Wilmington, Delaware (United States of America) and holding a passport of his nationality with number \*\*\*, in his capacity as Executive Vice President of the aforementioned company.

Catorze d'Agost, S.L. is represented hereto by \*\*\*, of legal age, married, with professional domicile in \*\*\* and holding a National Identification Document ("DNI") with number \*\*\*, in his capacity as Sole Director of the aforementioned company, pursuant to the notarial deed of incorporation, granted before the Notary Public of the city of Barcelona, Mr. Lluís Jou i Mirabent, on June, 29, 2001, with number 2.261 of his official register.

Agut Global, S.L. is represented hereto by \*\*\*, of legal age, married, with domicile in \*\*\* and holding a National Identification Document ("DNI") with number \*\*\*, in his capacity as Joint and Several Director of the aforementioned company, pursuant to the notarial deed of appointment of directors, granted before the Notary Public of the city of Barcelona, Ms. María Isabel Gabarro Miquel, on October, 25, 2002, with number 2.559 of his official register.

Colibrí 2000, S.L., is represented hereto by \*\*\*, of legal age, married, with domicile at \*\*\* and holding a National Identification Document ("DNI") with number \*\*\*, in his capacity as Sole Director of the aforementioned company, pursuant to the notarial deed of incorporation, granted before the Notary Public of the city of Barcelona, Mr. Salvador Carballo Casado, on February, 22, 2001, with number 450 of his official register.





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### Preliminary Statements

- A. The Sellers own directly or indirectly all of the issued and outstanding shares of the Company Capital Stock, directly according to the breakdown and by virtue of the title ownership detailed in Schedule A, hereto, representing 97.15% of the Company Capital Stock, and indirectly the Treasury Shares.
- B. The Company is the direct owner of the Treasury Shares by virtue of acquisition from Mr. Juan José Juncá Busquets by means of the deeds of purchase and sale, and 100% of the capital stock of the Spanish companies Pharmadiet, S.L. with C.I.F. number B-59150904 and Masterdiet, S.L. with C.I.F. number B-17480005, and of the English company Innodevice Limited, with VAT number W8261663B. Further, Pharmadiet, S.L. is the direct owner of 60% of the stock capital of the Spanish company Quimera Ingeniería Biomédica, S.L., with C.I.F. number B-63448781 (Pharmadiet, S.L., Masterdiet, S.L., Innodevice Limited and Quimera Ingeniería Biomédica, S.L., are referred collectively to as the "Subsidiaries" and individually, as the "Subsidiary").
- C. The Company and the Subsidiaries form a group of health care companies which develop, manufacture, market, and sell pharmaceutical, nutraceutical, and veterinary products.
- D. Additionally, the Company has a minority stake of 5% in the Spanish company Pla XXI, S.L., which main activity consists on developing an equestrian center.
- E. The Sellers, by means of the sale of the Purchased Company Capital Stock, are interested in transferring control of the business and activities of the Company and thereby indirectly transferring control of the business and activities of the Subsidiaries.
- F. The Buyer and the Sellers expressly acknowledge that, although the object of the purchase and sale is the Purchased Company Capital Stock, the ultimate purpose of this purchase and sale extends, in addition to the transfer of the Purchased Company Capital Stock and indirectly all the Company Capital Stock, and the Company's activities and business, to the acquisition of all the shares of Pharmadiet, S.L., Masterdiet, S.L. and Innodevice Limited, and the shares representing 60% of the capital stock of Quimera Ingeniería Biomédica, S.L., and control over the businesses undertaken by the Company and its Subsidiaries.
- G. The Buyer has conducted a due diligence review of the Company and its Subsidiaries (including, without limitation, in connection with financial, legal and taxation matters).
- H. The Sellers desire to sell to Buyer, and Buyer desires to purchase, on the terms and subject to the conditions set forth in this Agreement, ~~all of the~~ ~~and~~ ~~the~~ ~~Purchased~~ ~~Company~~ ~~Capital~~ ~~Stock~~ and indirectly all the Company Capital Stock.

### Agreement

In consideration of the preliminary statements and the respective mutual covenants, representations and warranties contk



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“Data Files” shall have the meaning indicated in Section 4.28(a).

“De Minimis Amount” shall have the meaning indicated in Section 6.5(a)(ii)

“Deferred Consideration” shall have the meaning indicated in Section 2.3(b).

“Environmental Laws” means any applicable statute, law, ordinance, regulation, rule, code or order and any enforceable judicial or administrative order, rule, code or



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“OPKO Common Stock” means the common stock of OPKO Health, Inc., par value US\$.01 per share. All references in this agreement to OPKO Common Stock are deemed to be made to the OPKO Common Stock or, as the case may be, to any shares, quotas, securities, rights, participations or funds which may be issued in substitution or exchange for the OPKO Common Stock in the event of merger, liquidation, capital increase or reduction, conversion or exchange, demerger, transformation or any other transaction affecting OPKO.

“OPKO” means OPKO Health, Inc.

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

“Owned Real Property” means all land owned by the Company and its Subsidiaries, together with any and all buildings, fixtures, structures and improvements located tb it



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(b) Although the direct object of this Agreement is the Purchased Company Capital Stock, the parties expressly state that the ultimate purpose of acquiring directly and indirectly the whole Company Capital Stock is the acquisition by the Buyer of the operational and government control over the business activity of the Company and its Subsidiaries, and over the whole of the assets and rights which constitute their assets and liabilities, including the stake held by the Company in Pla XXI, S.L.

(c) Subject to the terms and conditions of this Agreement, the sale and purchase, directly and indirectly, of the Company Capital Stock contemplated hereby and the transfers and deliveries to be made pursuant to this Agreement shall take place at the offices of the notary public Mr. Francisco Alejandro Armas Omedes (the "Notary Public") in Barcelona, immediately after the execution of this Agreement (the "Closing"). 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.

## **2.2 Closing Actions**

At the Closing:

- (a) The Sellers and the Buyer shall execute a public deed before the Notary Public, by means of which they shall notarize this Agreement and shall complete the transfer of the ownership of the Purchased Company Capital Stock to the Buyer.
- (b) The parties shall exhibit powers of attorney sufficient for the execution of the Transaction Documents.
- (c) The Sellers shall deliver a certificate issued by the management body of the Company and of each of the Subsidiaries evidencing the completion of the requirements set out in their Articles of Association for the transfer of the Purchased Company Capital Stock.
- (d) The Company shall pay the advisory costs of Deloitte Asesores Tributarios, S.L. for an amount of \*\*\*.
- (e) The Sellers shall deliver to the Buyer the Financial Statements and the Closing Financial Statements Sheet, which shall have been prepared in accordance with Spanish GAAP. The Sellers shall also deliver the Financial Statements in accordance with U.S. GAAP. Except as disclosed on Schedule 2.2(e), neither the Financial Statements or the Closing Financial Statements shall reflect any Affiliated Debt.
- (f) The Sellers shall deliver or cause to be delivered to Buyer (i) all of the title deeds representing the Purchased Company Capital Stock, sufficient to convey to Buyer good title to the Purchased Company Capital Stock, free and clear of any and all claims or Liens of any nature whatsoever and together with all accrued benefits and rights attaching thereto, (ii) the effective written resignations of each of the directors of the Company and of the Subsidiaries.







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or a notice of Indemnified Loss and no more than thirty days for Third Party CI





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- (b) With regard to the Buyer, no one has commenced or announced the intention to commence any (i) attachment, enforcement proceedings, sequestration, Lien or any other legal proceedings in connection with the assets of the Buyer, (ii) actions aimed at pursuing the wind-up or declaration of bankruptcy of the Buyer, or (iii) availment of benefits arising as a result of bankruptcy proceedings.

## ARTICLE 4

### REPRESENTATIONS AND WARRANTIES OF THE SELLERS AND THE COMPANY

In order to induce Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, each Seller makes the representations and warranties set forth below to Buyer as of the date hereof, except as otherwise noted herein or as set forth in the disclosure schedules attached hereto.

#### 4.1 Organization.

The Company and each of its Subsidiaries is a corporation duly organized and validly existing, has been entered on the relevant registers and possess full legal personality under the laws of Spain (except for Innodevice Limited, which is organized and validly existing under the laws of England and Wales). The Company and each of its Subsidiaries is duly qualified or licensed to do business as conducted in on the Closing Date in each jurisdiction where the character of the properties owned or operated by it or the nature of its business makes such qualification or licensing necessary. The Company and each of its Subsidiaries has all requisite right, power and authority to (a) own and operate its properties, (b) conduct its business as conducted of the Closing Date in accordance with local business practices and (c) engage in and consummate the transactions contemplated hereby. Neither the Company, nor any of its Subsidiaries, is in default under its Organizational Documents.

#### 4.2 Subsidiaries.

Schedule 4.2 sets forth each Subsidiary of the Company, the jurisdiction of incorporation or formation thereof, and the authorized and issued shares of such Subsidiary. Neither the Company nor any of its Subsidiaries owns or holds the right to acquire any stock, partnership interest, joint venture interest or other equity ownership interest in any other Person. Except as set forth on Schedule 4.2 with respect to Quimera Ingeniería Biomédica, S.L., each Subsidiary of the Company is wholly owned by either the Company or a Subsidiary of the Company. All of the issued and outstanding shares of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and were issued in compliance with all applicable Laws and are free and clear of any Lien. The Company or the relevant Subsidiary, as the case may be, hold full and legitimate title over the shares representing the stock capital of the Subsidiaries and their acquisition did not involve any financial assistance for the purposes of sections 143.2 and 150 of the Spanish Companies Act. There are no outstanding options, warrants, voting trust agreements, shareholder agreements, divestment or other similar agreements or other rights of any kind that provide for the sale or issuance by any Subsidiary of the Company of additional shares of capital stock or other securities, or of any securities convertible into, exchangeable for or evidencing the right to purchase any shares of capital stock or other securities of such Subsidiary. There is no corporate resolution pending implementation that would give rise to any variation in the Subsidiaries capital stock.



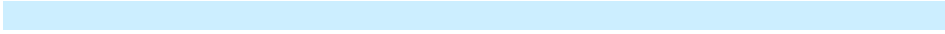






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the Sellers, no such condemnation, requisition, or taking is threatened or contemplated. To the Knowledge of the Company and the Sellers, there are not any building moratorium which might affect the Real Property.

(g) Except as set forth on Schedule 4.15(g), neither the Company nor the Sellers have re

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**4.18 Employment Matters.**

(a) Except















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Intellectual Property, and, to the Knowledge of the Sellers, no grounds for any such claims exist. Neither the Company, nor its Subsidiaries or any Seller has made any claim of any violation or infringement by others of its rights in the Intellectual Property, and, to the Knowledge of the Sellers, no grounds for any such claims exist. Neither the Company, its Subsidiaries or the Sellers has received

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their satisfactory performance and are not affected by any problems that interfere with their operation or limit the operation of the activities of the Company and its Subsidiaries as conducted on Closing Date.

- (b) Except in relation to the external email servers used by the Company and the Subsidiaries, the use, access to, development and maintenance of the computer system does not depend on any agreements or legal relationships with third parties (outsourcing).
- (c) The Company and its Subsidiaries have all the legal and technical documentation needed relating to their computer system and they have the suitable staff to operate it with full efficiency and normality, without interruption.

#### **4.28 Personal Data.**

- (a) The computer files containing personal data used by the Company and its Subsidiaries (the "Data Files") are owned by them and needed by them to operate the activities of the Company and its Subsidiaries in the ordinary course of business.
- (b) The Data Files comply with the provisions of Organic Law 15/1999 on protection of personal data (the "Personal Data Protection Law") and all other supplementary and implementation regulations. In particular, the Company and its Subsidiaries have notified the Data Protection Agency of the Data Files that contain personal data, have taken the necessary security measures and have drafted the required security document.
- (c) The processing of the personal data contained in the Data Files has been performed in observance of the principles of proportionality, consistency, accuracy and veracity, temporariness and secrecy as required under current applicable Law.
- (d) The Company and its Subsidiaries have obtained the data contained in the Data Files with the consent of the interested parties and have presented those parties in advance with the information required under the Personal Data Protection Law.
- (e) The Data Files have never been assigned to any third party.

#### **4.29 Power of Attorney.**

Except for the powers of attorney listed in Schedule 4.29, neither the Company nor any Subsidiary has issued, granted or executed any powers of attorney on behalf of the Company or any Subsidiary which will remain in force at the Closing Date.

#### **4.30 Absence of Material Adverse Effects.**

Except for what is listed in Schedule 4.30, since December 31, 2011, the Company and its Subsidiaries have conducted their 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. Except for what is listed in Schedule 4.30, neither the Company nor any Subsidiary has taken (or agreed to take) any of the following actions:

- (a) amend or otherwise change the Organizational Documents of the Company or any Subsidiary

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- (b) 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;
- (c) 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, except in relation to the shares in the Company acquired from Mr. José Juncà Busquets and currently held as treasury shares by the Company and the agreement to acquire treasury shares in the Company from Mr. Carlos Fernández (although no such shares have been acquired prior to Closing);
- (d) declare or pay any dividend or other distribution;
- (e) 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;
- (f) create, incur or assume any liability or indebtedness which would remain with the Company or its Subsidiaries after the Closing Date, except in the ordinary course of business consistent with past practice;
- (g) commit to make any capital expenditures in excess of €50,000, which would be payable by the Company or its Subsidiaries after the Closing Date.;
- (h) waive, release, assign, settle or compromise any material claim or litigation;
- (i) 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 any severance agreement with any employee (other than those disclosed in Schedule 4.30(i) which specifically mentions those severance agreements where the severance payment is greater than that amount provided by Law) 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;
- (j) 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, or enter into any joint venture agreement of similar collaboration agreement;
- (k) alter the manner of keeping its books, accounts or records, or change in any manner the accounting practices therein reflected;
- (l) make any Tax election or settle or compromise any material EU, national, autonomic or local income Tax Liability; or

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(m) change its accounting practices, methods or assumptions or write down any of its assets.

#### **4.31 Accounts and Notes Receivable and Payable.**

Set forth on Schedule 4.31 is a true and complete aged list of unpaid accounts and notes receivable owing to and owed by the Company and its Subsidiaries 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 business.

Except as set forth on Schedule 4.31, there is no agreement for deduction, free goods, discounts, or other deferred price or adjustment to such receivables. All discounts for volume purchasing and any other rebates recorded by the Company and its Subsidiaries from their suppliers are legally enforceable in their respective terms. The payment terms offered by the Company and its Subsidiaries to their customers conform to industry practice and are consistent with those applied in previous years.

- (a) Except as set forth on Schedule 4.31, all receivables owing to the Company and its Subsidiaries (i) are an average of 110 days old, are fully collectible and (ii) to the Company's and Seller's Knowledge will be collected in the ordinary course of business.
- (b) Except as set forth on Schedule 4.31, no client of material importance for the business of the Company or the Subsidiaries in terms of quality or quantity has terminated its relationship with the Company or the corresponding Subsidiary or given notice of its intention to do so and to the Seller's Knowledge, there is no good reason for such circumstance to arise.

#### **4.32 Related Parties.**

Except as disclosed in Schedule 4.32, none of the Sellers or their Affiliates, and to the Seller's Knowledge, nor any officer, director, or employee of the Company or any Subsidiary, has, directly or indirectly, (a) any ownership interest in, or is a director, officer, employee, consultant or agent of, any Person which is a competitor, supplier or customer of the Company or any Subsidiary; (b) any ownership interest in any property or asset, tangible or intangible, including any Intellectual Property, used in the conduct of the Company's or any Subsidiary's business; (c) any interest in or is, directly or indirectly, a party to, any Company Contract; (d) any contractual or other arrangement in force with the Company or any Subsidiary, or any competitor, supplier or customer of the Company or any Subsidiary; (b) any cause of action or claim whatsoever against, or owes any amount to, the Company or any Subsidiary, (c) any Liability to the Company or any Subsidiary including a loan or credit agreement. Except as disclosed in Schedule 4.32, neither the Company nor any Subsidiary has any Liability to the Sellers.

#### **4.33 Financing and banks.**

- (a) The Company and the Subsidiaries are in good standing in respect of installments, repayments and interest relating to loans, credits and all other agreements or forms of financing currently in effect as granted by financial institutions to the Company or its Subsidiaries. Schedule 4.33(a) sets forth (i) a complete list of each loan, credit or financing agreement currently in effect, (ii) the current principal and interest outstanding under each agreement, and (iii) the maturity date.







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(c) Nothing in this Section 5.1 shall prevent the Sellers, after the Closing Date, from:

(i) owning purely for financial investment purposes securities in any company provided that they do not exceed five percent (5%) in the share capital or otherwise have management functions or any material influence in that company;

(ii) performing their obligations under this Agreement and / or under any other agreements which they may enter into with a member of the Buyer's group; and

(iii) in respect of:

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(d) The obligations of each of the Sellers under this clause shall be severable and independent. In the event of breach of this clause, the Buyer shall only be entitled to claim against the individual Seller committing the relevant breach.

**5.2 Confidentiality.**

(a) Each Seller acknowledges that all confidential or proprietary information with respect to the business and operations of the Company and its Subsidiaries are valuable, special and unique. Each Seller shall not, at any time after the Closing Date disclose, directly or indirectly, to any Person, or use or purport to authorize any Person to use any confidential or proprietary information with respect to the Company and its Subsidiaries or Buyer, whether or not for such Seller's own use.

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- (b) The parties further agree to treat as confidential and not disclose to third parties any confidential information relative to the Sellers personally (and not to the Company or the Subsidiaries) received in relation to the transaction contemplated in this Agreement.
  - (c) This Section 5.2 shall not prevent disclosure by the parties to the extent: (i) disclosure is required by law or regulatory or governmental body having applicable jurisdiction (provided that the disclosing party shall first inform the other party of its intention to disclose such information and take into account the reasonable comments of the other party); (ii) disclosure is reasonably required for purposes connected with this Agreement; (iii) disclosure is required for the purpose of any arbitral or judicial procedure arising out of this Agreement.
  - (d) Each party shall be responsible for the compliance with such confidentiality obligations.

### **5.3 Continuing Obligations.**

The restrictions set forth in Sections 5.1 and 5.2 are considered by the parties to be reasonable for the purposes of protecting the value of the business and goodwill of the Company, its Subsidiaries, and Buyer. Buyer and each Seller acknowledge that Buyer, would be irreparably harmed and that monetary damages would not provide an adequate remedy to the Buyer in the event the covenants contained in Sections 5.1 and 5.2 were not complied with in accordance with their terms. Each Seller agrees that any breach or threatened breach by any of them of any provision of Sections 5.1 and 5.2 shall entitle the Buyer to injunctive and other equitable relief to secure the enforcement of these provisions, in addition to any other remedies which may be available to the Buyer. If a party breaches the covenants set forth in Section 5.1, the running of the two year non-compete period described therein shall be tolled with respect to such party for so long as such breach continues. It is the desire and intent of the parties that the provisions of Sections 5.1, 5.2 and 5.3 be enforced to the fullest extent permissible under the laws and public policies of each jurisdiction in which enforcement is sought. If any provisions of Sections 5.1, 5.2 and 5.3 relating to the time period, scope of activities or geographic area of restrictions is declared by a court of competent jurisdiction to exceed the maximum permissible time period, scope of activities or geographic area, as the case may be, shall be reduced to the maximum which such court deems enforceable. If any provisions of Sections 5.1, 5.2 and 5.3 other than those described in the preceding sentence are adjudicated to be invalid or unenforceable, the invalid or unenforceable provisions shall be deemed amended (with respect only to the jurisdiction in which such adjudication is made) in such manner as to render them enforceable and to ~~en~~mutuate as nearly as possible the

original intentions and agreement of the parties.

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**5.5 Cooperation.**

Each of the Sellers agree to provide reasonable assistance to the Buces in

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of) the obligation, commitment or undertaking in relation to which such failure has occurred in the manner prescribed in this Agreement and so that the same benefits shall be received by, or conferred on, the Sellers as would have been so received or conferred if such obligation, commitment or undertaking had been duly performed and/or observed by the Buyer.

## 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 due diligence review or 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, provided that each of Buyer and OPKO on the one hand, and the Sellers on the other, represents and warrants that it has no actual knowledge of any breach of any of the representations or warranties of the other party hereto set forth in this Agreement.

#### 6.2 Survival of the Representations and Warranties.

The representations and warranties and indemnification obligations of the Sellers and the Buyer shall survive the Closing Date for a period ending on \*\*\*; provided, however, that (i) the representations in Sections 4.17 (Compliance with Environmental Laws), 4.18 (Employment Matters) and 4.21 (Tax Matters) shall survive the Closing Date until the expiration of the period specified in the applicable statute of limitations; and (ii) the representations and warranties in Sections 4.2 (Subsidiaries), 4.8 (Capitalization), and 4.9 (Rights, Warrants and Options) shall survive indefinitely. The Buyer hereby waives any rights to claim against the Sellers once the relevant period set forth above has expired.

#### 6.3 General Release.

Except as otherwise provided for herein, as additional consideration for the sale of the Company Capital Stock pursuant to this Agreement, each Seller hereby unconditionally and irrevocably releases and forever discharges, effective as of the Closing Date, each of the Company and its Subsidiaries and their respective officers, directors, employees and agents (the "Released Parties"), from any and all rights, claims, demands, judgments, obligations, liabilities, damages, costs and expenses, whether accrued or unaccrued, asserted or unasserted, and whether known or unknown, suspected or unsuspected, relating to the Company or any Subsidiary which ever existed, now exist, or may hereafter exist, by reason of any tort, breach of contract, violation of law or other act or failure to act by the Company or its Subsidiaries which shall have occurred at or prior to the Closing Date or in relation to any other Liabilities of the Company or any Subsidiary of the Company (the "Released Matters"). For the avoidance of doubt, the parties acknowledge and agree that the required payments set forth on Schedule 6.3 shall not be deemed a Released Matter. None of the information supplied by the Company or its professional advisors to the Seller in connection with the Company's disclosure obligations under the Securities Laws shall be deemed a Released Matter. The Seller shall not be liable for any damages, costs and expenses, whether accrued or unaccrued, asserted or unasserted, and whether known or unknown, suspected or unsuspected, relating to the Company or any Subsidiary which ever existed, now exist, or may hereafter exist, by reason of any tort, breach of contract, violation of law or other act or failure to act by the Company or its Subsidiaries which shall have occurred at or prior to the Closing Date or in relation to any other Liabilities of the Company or any Subsidiary of the Company (the "Released Matters"). For the avoidance of doubt, the parties acknowledge and agree that the required payments set forth on Schedule 6.3 shall not be deemed a Released Matter. None of the information supplied by the Company or its professional advisors to the Seller in connection with the Company's disclosure obligations under the Securities Laws shall be deemed a Released Matter.

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to the Sellers, and the Sellers waive any claims against the Company which they might otherwise have in respect of it. Further, the Sellers hereby represent that the Sellers have not voluntarily or involuntarily assigned or transferred or purported to assign or transfer to any Person any Released Matter and that no Person other than the Sellers has any interest in any Released Matter by law or contract by virtue of any action or inaction of the Sellers.

#### **6.4 Indemnification.**

- (a) **Indemnification by Sellers.** Subject to the limitations set forth in Section 6.5, the Sellers shall jointly 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 of (A) any and all actions, suits, proceedings, demands, liabilities, damages, claims, deficiencies, fines, penalties, interest, assessments, judgments, Taxes, costs and expenses, including reasonable fees and disbursements of counsel (collectively, the “Indemnified Losses”) arising from or in connection with any breach or violation, inaccuracy or untruthfulness of any of the representations and warranties of Sellers contained in this Agreement or (B) any and all Indemnified Losses arising from or in connection with any breach or violation of the covenants or agreements of the Sellers contained in this Agreement.

All Indemnified Losses paid by the Sellers to the Buyer under this Section 6.4 shall be considered as a reduction in the consideration for all purposes. Indemnified Losses shall be paid, at the election of the Buyer, to the Buyer, the Company or the Subsidiary which suffered such Indemnified Losses.

- (b) **Indemnification by Buyer.** Buyer agrees to defend, indemnify and hold harmless each Seller and his or her Affiliates and their respective directors, officers, employees and agents from, against and in respect of, the full amount of
- (i) any and all Indemnified Losses arising from or in connection with any breach or violation of any of the representations or warranties of the Buyer contained in this Agreement;
  - (ii) any and all Indemnified Losses arising from or in connection with any breach or violation of any of the covenants or agreements of Buyer contained in this Agreement; and
  - (iii) any and all capital and other Taxes related to or arising from the purchase and transfer of the Company Capital Stock contemplated hereby by reason of any Liability of Buyer and/or any of its Affiliates for such Taxes as assessed by any taxing authority against Buyer and/or its Affiliates on or after the Closing Date.

- (c) **Indemnification Procedure as to Third Party Claims.**

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

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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 promptly notify the party against whom indemnity is sought (the "Indemnifying Party") of such Claim in writing, in any event, within ten (10) business days from the date the Indemnified Party obtains knowledge of a Claim, provided, however, that any failure to give notice will not waive any rights of the Indemnified Party and will not relieve the Indemnifying Party of its obligations as hereinafter provided in this Section 6.4 after such notice is given, except to the extent that the rights of the Indemnifying Party are actually prejudiced thereby. The notice of a Claim by the Indemnified Party to the Indemnifying Party shall include all reasonable information and documentation available to the Indemnified Party for the Indemnifying Party to assess the circumstances of the Claim.

With respect to any Claim as to which such notice is given by the Indemnified Party to the Indemnifying Party:

- (i) the Indemnifying Party shall be entitled, (subject to the provisions of Section 6.4(f)) to assume the defense or otherwise settle such Claim which is solely for monetary damages with counsel reasonably experienced in the conduct of Claims of that nature at the Indemnifying Party's sole risk and expense, provided, however, that the Indemnified Party (1) shall be permitted to participate in the defense and settlement of such Claim and to employ counsel at the Indemnified Party's own expense, (2) shall cooperate fully with the Indemnifying Party in the defense and any settlement of such Claim in any manner reasonably requested by the Indemnifying Party including, for the avoidance of doubt: (i) delivering the documentation and information relevant to the Claim to the Indemnifying Party and their advisers; and (ii) granting powers of attorney to the Indemnifying Party's designated counsel to conduct the defense of the Claim. The Indemnifying Party shall not compromise or settle any such Claim, which imposes any obligations to the Company other than monetary obligations, without the prior written approval of the Indemnified Party, which shall not be unreasonably withheld;
- (ii) If the Indemnifying Party fails to assume the defense of such Claim, or if the remedy sought with respect to such claim does not include monetary damages, the Indemnified Party, without waiving its right to indemnification, may, but is not required to, assume the defense and settlement of such Claim, provided, however, that (1) the Indemnifying Party shall be permitted to participate in the defense and settlement of such Claim and to employ counsel at its own expense, and (2) the Indemnifying Party shall cooperate with the Indemnified Party in the defense and settlement of such Claim in any manner reasonably requested by the Indemnified Party. The Indemnified Party shall not compromise or settle any such Claim, if it imposes any obligations which could result in a Claim against the Indemnifying Party, without its prior written approval, which shall not be unreasonably withheld.
- (iii) If the remedy sought with respect to such Claim is both for monetary damages and non monetary recourse, the parties will assume the defense jointly, employing a joint counsel, and consent from both parties shall be needed to compromise or settle such Claim if it imposes any obligations which could result in a Claim against the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.



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(iv) As used in this Section 6.4, the term Indemnified Par

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- (f) Indemnification Payments. All amounts payable by an Indemnifying Party as indemnification under this Section 6.4 shall be increased or reduced for an amount equal to the net Tax ef

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(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.

**ARTICLE 7**  
**MISCELLANEOUS**

**7.1 Notices.**

Any notice or other communication under this Agreement shall be delivered personally or sent by certified mail, return receipt requested, to the party to whom such notice is directed at the address set forth below for the party to whom such notice is directed, or at such other addresses as shall be specified by the parties by like notice), or (ii) in the case of the Sellers, at the following address: Passeig de la Generalitat 21, 17820 Banyoles (Girona) to the attention of Mr. Miquel Juncà (or at such other addresses as shall be specified by the parties by like notice).

Such notices and other communications shall be deemed to have been received by the party to whom such notice is directed at the time of delivery to the addressee at the address set forth above or at such other addresses as shall be specified by the parties by like notice).





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**IN WITNESS WHEREOF**, the parties hereto have each executed and delivered this Agreement as of the day and year first above written.

**Buyer:**

**SHEBELI XXI, S.L.**

/s/ Juan F. Rodriguez  
By: /s/ Laurel Kate Inman  
Name: Mr. Juan Felipe Rodriguez  
Mrs. Laurel Kate Inman  
Title: Joint Directors

**Sellers:**

— Mr. José Junca Busquets

/s/ José Junca Busquets

Address:

— Mr. Miguel Juncá Riuró

/s/ Miguel Juncá Riuró

Address:

— Mr. Ferrán Juncá Riuró

/s/ Ferrán Juncá Riuró

Address:

— Mr. Carlos Fernández Navarro

/s/ Carlos Fernández Navarro

Address:

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— Catorze d'Agost, S.L.

/s/ \*\*\*

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By: \*\*\*

Address:

— Agut Global, S.L.

/s/ \*\*\*

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By: \*\*\*

Address:

— Colibrí 2000, S.L.

/s/ \*\*\*

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By: \*\*\*

Address:

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**Company:**

**FARMADIET GROUP HOLDING, S.L.**

By: 7 / \*\*\*Rctor

Name: \*\*\*

Title: Managing Director

Address:

**OPKO:**

**OPKO HE I e X**





**CERTIFICATION**

I, Phillip Frost, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of OPKO Health, Inc.;
- (2) Based on my knowledge and belief, the information contained in this report is true and correct.

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**CERTIFICATION**

I, Juan F. Rodriguez, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of OPKO Health, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has ~~materially affected, or is reasonably likely to~~ materially affect, our internal control over financial reporting.

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**Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350, Chapter 73 of Title 18, United States Code)**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, Phillip Frost, Chief Executive Officer of OPKO Health, Inc. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2012

/s/ Phillip Frost, M.D.

Phillip Frost, M.D.

Chairman of the Board, Chief Executive Officer

**Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350, Chapter 73 of Title 18, United States Code)**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, Juan F. Rodriguez, Chief Financial Officer of OPKO Health, Inc. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2012

/s/ Juan F. Rodriguez

Juan F. Rodriguez  
Chief Financial Officer