

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net sales	\$ 1,905	\$ 1,021	\$ 2,676	\$ 2,037
Cost of sales	1,765	993	2,451	1,723
Gross profit	140	28	225	314
Operating expenses:				
Sales and marketing	221	236	336	534
Administration	1,306	943	2,387	2,146
Research and development	224	121	258	160
	1,751	1,300	2,981	2,840
Other income (expense), net	151	(53)	97	(105)
Loss from continuing operations before income taxes	(1,460)	(1,325)	(2,659)	(2,631)
Income tax benefit from continuing operations	-	-	18,123	-
Income (loss) from continuing operations	(1,460)	(1,325)	15,464	(2,631)
Discontinued operations:				
Income (loss) from discontinued operations	(835)	198	530	168
Gain on sale of discontinued operations, net of taxes	(10)	-	26,339	-
Income (loss) from discontinued operations	(845)	198	26,869	168
Net income (loss)	\$ (2,305)	\$ (1,127)	\$ 42,333	\$ (2,463)
Basic earnings (loss) per share:				
Income (loss) from continuing operations	(\$0.09)	(\$0.08)	\$0.91	(\$0.15)
Income (loss) from discontinued operations	(0.05)	0.01	1.58	0.01
Net income (loss)	(\$0.14)	(\$0.07)	\$2.49	(\$0.14)
Diluted earnings (loss) per share:				
Income (loss) from continuing operations	(\$0.09)	(\$0.08)	\$0.87	(\$0.15)
Income (loss) from discontinued operations	(0.05)	0.01	1.52	0.01
Net income (loss)	(\$0.14)	(\$0.07)	\$2.39	(\$0.14)
Weighted average common shares outstanding:				
Basic	16,943	17,081	17,030	17,081
Diluted	16,943	17,081	17,680	17,081

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

	June 30 2017	December 31, 2016
Cash and cash equivalents	\$ 37,280	\$ 441
Accounts receivable	\$ 1,835	\$ 5,770
Inventory	\$ 1,966	\$ 2,736
Total current assets	\$ 42,224	\$ 9,627
Total assets	\$ 50,099	\$ 12,802
Total current liabilities	\$ 3,473	\$ 6,840
Total stockholders' equity	\$ 46,626	\$ 5,962