

Orchid Cellmark Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
Three months and nine months ended September 30, 2008 and 2007
(In thousands, except per share data)
(Unaudited)

	<u>Three months ended</u> <u>September 30,</u>		<u>Nine months ended</u> <u>September 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:				
Service revenues	\$ 14,845	\$ 15,511	\$ 44,404	\$ 45,100
Other revenues	27	47	219	222
Total revenues	<u>14,872</u>	<u>15,558</u>	<u>44,623</u>	<u>45,322</u>
Operating expenses:				
Cost of service revenues	10,500	10,054	31,159	29,779
Research and development	228	264	654	832
Marketing and sales	1,536	1,503	4,659	4,500
General and administrative	3,588	3,831	12,639	11,747
Restructuring	-	(75)	-	(75)
Amortization of intangible assets	475	447	1,429	1,337
Total operating expenses	<u>16,327</u>	<u>16,024</u>	<u>50,540</u>	<u>48,120</u>
Operating loss	(1,455)	(466)	(5,917)	(2,798)
Other income, net	128	301	846	817
Loss before income tax expense	(1,327)	(165)	(5,071)	(1,981)
Income tax expense (benefit)	132	542	(117)	1,154
Net loss	<u>\$ (1,459)</u>	<u>\$ (707)</u>	<u>\$ (4,954)</u>	<u>\$ (3,135)</u>
Basic and diluted net loss per share	<u>\$ (0.05)</u>	<u>\$ (0.02)</u>	<u>\$ (0.17)</u>	<u>\$ (0.11)</u>
Shares used in computing basic and diluted net loss per share:	<u>29,935</u>	<u>29,327</u>	<u>29,935</u>	<u>29,323</u>

Orchid Cellmark Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
September 30, 2008 and December 31, 2007

(In thousands)

(Unaudited)

	<u>September 30, 2008</u>	<u>December 31, 2007</u>
<u>Assets:</u>		
Current assets		
Cash and cash equivalents	\$ 15,857	\$ 20,918
Accounts receivable, net	11,319	9,516
Inventory	1,497	1,443
Prepays and other current assets	2,041	2,151
Total current assets	<u>30,714</u>	<u>34,028</u>
Fixed assets, net	6,399	7,440
Goodwill	9,558	9,519
Other intangibles, net	8,185	9,694
Restricted cash	-	958
Other assets	487	490
Total assets	<u>\$ 55,343</u>	<u>\$ 62,129</u>
<u>Liabilities and Stockholders' Equity:</u>		
Current liabilities		
Accounts payable	\$ 2,668	\$ 2,027
Accrued expenses and other current liabilities	4,297	4,611
Income taxes payable	-	543
Short-term debt and current portion of long-term debt	385	428
Deferred revenue	852	964
Total current liabilities	<u>8,202</u>	<u>8,573</u>
Other liabilities	284	1,123
Total liabilities	<u>8,486</u>	<u>9,696</u>
Total stockholders' equity	<u>46,857</u>	<u>52,433</u>
Total liabilities and stockholders' equity	<u>\$ 55,343</u>	<u>\$ 62,129</u>