



Investor Relations Contacts:  
The IGB Group  
Nick Rust / Lev Janashvili  
212.477.8439 / 212.227.7098  
[nrust@igbir.com](mailto:nrust@igbir.com) / [ljanashvili@igbir.com](mailto:ljanashvili@igbir.com)

## **PERNIX THERAPEUTICS REPORTS SECOND QUARTER 2010 RESULTS**

*Conference Call Scheduled for August 18, 2010 at 11:00 AM ET*

**MAGNOLIA, Texas**, August 16, 2010 – Pernix Therapeutics Holdings, Inc. (NYSE Amex: PTX), a specialty pharmaceutical company primarily focused on the pediatric market, today announced results for the quarter and six months ended June 30, 2010.

### **Second Quarter 2010 Highlights**

- Commenced sales of Cedax®, an antibiotic for middle ear infections;
- Profitability sustained - reported income before taxes and non-controlling interest of \$365,000 for the second quarter of 2010;
- Broadened opportunity to grow collaboration revenue via a co-promotion agreement with Macoven to exclusively market ZEMA PAK®, a corticosteroid for skin rashes;
- Hired 25 new sales representatives in June 2010 increasing our sales team by 78% ;
- Maintained a debt-free balance sheet with \$11,926,000 of cash, cash equivalents and restricted cash; and
- Added to the Russell Microcap® Index on June 28, 2010.

For the second quarter of 2010, net sales were approximately \$4,358,000, compared to \$6,514,000 for the prior-year quarter. This decrease was primarily due to increased sales of lower-priced products through a planned change in product mix, Medicaid rebates and a one-time promotional price offered to customers in the prior-year quarter. Income before taxes and non-controlling interest during the quarter was \$365,000, compared to \$2,954,000 in the prior-year period. The decrease was primarily due to lower margins from the increased Medicaid rebate expense on certain product sales. The Company's

after-tax income was approximately \$167,000, or \$0.01 per share, as compared to \$2,961,000, or \$0.14 per share, in the prior-year quarter.

For the six months ended June 30, 2010, net sales were approximately \$13,231,000, compared to \$13,748,000 for the prior-year period. Pernix's income before taxes and non-controlling interest was approximately \$4,619,000 for the six months ended June 30, 2010, compared to \$5,542,000 for the six months ended June 30, 2009. Pernix's after-tax income was approximately \$5,435,000, or \$0.23 per share, compared to \$5,643,000, or \$0.27 per share, in the prior-year period. The after-tax income for the six months ended June 30, 2010 includes one-time benefits associated with the termination of Pernix's "S" Corporation election and the recognition of net operating loss carry forwards associated with Pernix's March 10, 2010 reverse merger with Golf Trust of America, Inc.

Cooper Collins, President and Chief Executive Officer of Pernix, stated, "Our results for the second quarter of 2010 were in-line with our expectations due to the impact of seasonality on our business. We maintained profitability, continued to generate cash flow from operations and took several significant steps to grow the Company. We added the antibiotic Cedax to our portfolio of branded products, and we believe that Cedax will serve as a growth catalyst beginning in the fourth quarter, as demand for treatments for middle ear infections increases in the fall. We also completed the acquisition of the remaining 50% interest in Gaine, which became a wholly-owned subsidiary of Pernix. We continued the expansion of our sales force to 57 full-time representatives across 30 states."

Mr. Collins continued, "Going forward, our strategy is to establish Pernix as a leader for specialty pediatric pharmaceuticals. With a debt free balance sheet and approximately \$11.9 million in cash, we remain well positioned to continue our historical growth trajectory through organic growth, co-promotions, and accretive, high-margin product and synergistic corporate acquisitions. We remain on-track to deliver profitable year over year revenue growth in 2010."

As of June 30, 2010, the Company had \$11,926,000 in cash, cash equivalents and restricted cash, an increase of \$7,348,000 compared to December 31, 2009.

### **Conference Call Information**

Pernix Therapeutics will host a conference call on Wednesday, August 18, 2010 at 11:00 am EDT to discuss its financial results for the three and six month periods ended June 30, 2010 and provide a general business update. The conference call will feature remarks from Cooper Collins, President and CEO, and Tracy Clifford, CFO. To participate in the live conference call, please dial (877) 874-1569 (U.S.) or (719) 325-4753 (International), and provide passcode 1149288. A live webcast of the call will also be available on the investor relations section of the Company's website, [www.pernixtx.com](http://www.pernixtx.com). Please allow extra time prior to the webcast to register for the webcast and to download and install any necessary audio software.

A replay of the call will be available through August 25, 2010. To access the replay, please dial (888) 203-1112 (U.S.) or (719) 457-0820 (International), and providing passcode 1149288. An online archive of the webcast will be available on the Company's website for 30 days following the call.

### **About Pernix Therapeutics Holdings, Inc.**

Pernix Therapeutics Holdings, Inc. is a specialty pharmaceutical company primarily focused on serving the needs of the pediatric marketplace. Commercially-proven branded product families include Cedax®, Brovex®, Aldex®, Pediatex®, ReZyst®, QuinZyme® and Z-Cof®. The company was originally founded in 1999 and is based in the Houston, TX metropolitan area. Additional information about Pernix is available on the Company's website located at [www.pernixtx.com](http://www.pernixtx.com).

### **Cautionary Notice Regarding Forward-Looking Statements**

*The Company wishes to caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. No assurances can be given regarding the future performance of the Company. The Company wishes to advise readers that factors could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. The Company does not undertake, and specifically declines any obligation, to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.*

###

**Pernix Therapeutics Holdings, Inc.**  
**Consolidated Balance Sheets**

|   | <b>June 30,<br/>2010</b> | <b>December 31,<br/>2009</b> |
|---|--------------------------|------------------------------|
|   | <u>(unaudited)</u>       |                              |
| <b>ASSETS</b>   |                          |                              |
| Current assets:   |                          |                              |
| Cash and cash equivalents   | \$ 11,426,355            | \$ 4,578,476                 |
| Restricted cash   | 500,000                  | ---                          |
| Accounts receivable, net  | 3,978,705                | 4,133,357                    |
| Inventory, net  | 1,384,460                | 1,081,970                    |
| Prepaid expenses and other current assets   | 1,461,242                | 1,625,719                    |
| Income tax receivable   | 780,860                  | ---                          |
| Deferred tax assets - current   | 1,798,000                | 61,000                       |
| Total current assets  | <u>21,329,622</u>        | <u>11,480,522</u>            |
| Property and equipment, net   | 1,133,403                | 139,456                      |
| Other assets:   |                          |                              |
| Intangible assets, net of amortization  | 6,471,712                | 1,409,337                    |
| Deferred tax assets - long term   | 685,000                  | ---                          |
| Other long-term assets  | 300,000                  | 383,333                      |
| Total assets  | <u>\$ 29,919,737</u>     | <u>\$ 13,412,648</u>         |
| <b>LIABILITIES</b>  |                          |                              |
| Current liabilities:  |                          |                              |
| Accounts payable  | \$ 2,305,894             | \$ 436,663                   |
| Accrued personnel expense   | 724,970                  | 560,657                      |
| Accrued allowances  | 5,975,000                | 6,795,542                    |
| Income taxes payable  | ---                      | 100,000                      |
| Other accrued expenses  | 191,099                  | 101,196                      |
| Contract payable  | 4,420,806                | 42,382                       |
| Total current liabilities   | <u>13,617,769</u>        | <u>8,036,440</u>             |
| Commitments and contingencies   |                          |                              |
| <b>STOCKHOLDERS' EQUITY</b>   |                          |                              |
| Common stock, \$.01 par value, 90,000,000 shares authorized, 24,690,694 and 20,900,000 outstanding at June 30, 2010 and December 31, 2009, respectively |                          |                              |
|   | 246,907                  | 209,000                      |
| Treasury stock  | (30,014)                 | ---                          |
| Additional paid-in capital  | 6,463,038                | 788,979                      |
| Retained earnings   | 9,622,037                | 4,308,491                    |
| Total stockholders' equity  | <u>16,301,968</u>        | <u>5,306,470</u>             |
| Non-controlling interest  | ---                      | 69,738                       |
| <b>Total equity</b>   | <u>16,301,968</u>        | <u>5,376,208</u>             |
| <b>Total liabilities and stockholders' equity</b>   | <u>\$ 29,919,737</u>     | <u>\$ 13,412,648</u>         |

**PERNIX THERAPEUTICS HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

|   | <u>Three Months Ended June 30</u> |                     | <u>Six Months Ended June 30,</u> |                     |
|---|-----------------------------------|---------------------|----------------------------------|---------------------|
|   | <u>2010</u>                       | <u>2009</u>         | <u>2010</u>                      | <u>2009</u>         |
| Net sales   | \$ 4,357,786                      | \$ 6,513,731        | \$ 13,231,095                    | \$ 13,748,395       |
| Costs and expenses:   |                                   |                     |                                  |                     |
| Cost of product sales (exclusive of amortization of product rights) | 704,170                           | 1,090,247           | 1,896,143                        | 2,515,474           |
| Selling expenses  | 1,089,749                         | 1,160,459           | 2,605,389                        | 2,713,558           |
| General and administrative  | 1,697,833                         | 906,215             | 3,272,730                        | 2,380,195           |
| Research and development  | 315,998                           | 10,551              | 587,249                          | 153,994             |
| Royalties   | -                                 | 350,277             | -                                | 350,277             |
| Depreciation and amortization                                       | 190,196                           | 59,235              | 258,969                          | 114,532             |
| Total costs and expenses  | <u>3,997,946</u>                  | <u>3,576,984</u>    | <u>8,620,480</u>                 | <u>8,228,030</u>    |
| Income from operations  | <u>359,840</u>                    | <u>2,936,747</u>    | <u>4,610,615</u>                 | <u>5,520,365</u>    |
| Other income (expense):   |                                   |                     |                                  |                     |
| Other income  | 375                               | 9,658               | 375                              | 9,658               |
| Interest income, net  | 4,696                             | 7,433               | 7,644                            | 11,477              |
| Total other income, net   | <u>5,071</u>                      | <u>17,091</u>       | <u>8,019</u>                     | <u>21,135</u>       |
| Income before income taxes and non-controlling interest             | 364,911                           | 2,953,838           | 4,618,634                        | 5,541,500           |
| Provision for income taxes/income tax benefit                       | <u>201,730</u>                    | <u>---</u>          | <u>(816,373)</u>                 | <u>(60,000)</u>     |
| Net income before non-controlling interest                          | 163,181                           | 2,953,838           | 5,435,007                        | 5,601,500           |
| Net income(loss) attributable to non-controlling interest           | <u>(3,663)</u>                    | <u>(7,004)</u>      | <u>---</u>                       | <u>(41,614)</u>     |
| Net income attributable to controlling interest                     | <u>\$ 166,844</u>                 | <u>\$ 2,960,842</u> | <u>\$ 5,435,007</u>              | <u>\$ 5,643,114</u> |
| Net income per share, basic   | <u>\$ 0.01</u>                    | <u>\$ 0.14</u>      | <u>\$ 0.23</u>                   | <u>\$ 0.27</u>      |
| Net income per share, diluted                                       | <u>\$ 0.01</u>                    | <u>\$ 0.14</u>      | <u>\$ 0.23</u>                   | <u>\$ 0.27</u>      |
| Weighted-average common shares, basic                               | <u>24,557,691</u>                 | <u>20,900,000</u>   | <u>23,183,645</u>                | <u>20,900,000</u>   |
| Weighted-average common shares, diluted                             | <u>24,608,114</u>                 | <u>20,900,000</u>   | <u>23,206,749</u>                | <u>20,900,000</u>   |

###