

IsoRay, Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

	Three months ended		Nine months ended	
	March 31,		March 31,	
	2009	2008	2009	2008
Product sales	\$ 1,366,289	\$ 1,783,642	\$ 4,212,574	\$ 5,397,705
Cost of product sales	<u>1,351,044</u>	<u>1,682,981</u>	<u>4,523,705</u>	<u>5,930,278</u>
Gross margin (loss)	<u>15,245</u>	<u>100,661</u>	<u>(311,131)</u>	<u>(532,573)</u>
Operating expenses:				
Research and development expenses	301,907	434,418	826,513	1,086,333
Sales and marketing expenses	529,349	888,448	1,880,823	3,091,091
General and administrative expenses	<u>666,637</u>	<u>869,435</u>	<u>12,205,616</u>	<u>2,690,624</u>
Total operating expenses	<u>1,497,893</u>	<u>2,192,301</u>	<u>4,912,952</u>	<u>6,868,048</u>
Operating loss	<u>(1,482,648)</u>	<u>(2,091,640)</u>	<u>(5,224,083)</u>	<u>(7,400,621)</u>
Non-operating income (expense):				
Interest income	18,722	131,442	101,070	549,993
Gain (loss) on fair value of short-term investments	–	(187,300)	274,000	(187,300)
Financing and interest expense	<u>(16,278)</u>	<u>(22,826)</u>	<u>(57,894)</u>	<u>(78,140)</u>
Non-operating income (expense), net	<u>2,444</u>	<u>(78,684)</u>	<u>317,176</u>	<u>284,553</u>
Net loss	<u>\$ (1,480,204)</u>	<u>\$ (2,170,324)</u>	<u>\$ (4,906,907)</u>	<u>\$ (7,116,068)</u>
Basic and diluted loss per share	<u>\$ (0.06)</u>	<u>\$ (0.09)</u>	<u>\$ (0.21)</u>	<u>\$ (0.31)</u>
Weighted average shares used in computing net loss per share:				
Basic and diluted	<u>22,942,088</u>	<u>23,090,200</u>	<u>22,942,088</u>	<u>23,054,375</u>