

Spherix's 2009 Annual Shareholder Meeting Script
November 17, 2009

Operator

Welcome to Spherix Incorporated's 2009 Annual Shareholder's meeting conference call. At this time, all participants are in a listen-only mode. This call will only include the formal comments of the Company. Listeners are welcome to contact the company by phone at 301-897-2564 or by email at info@spherix.com with specific questions regarding what you have heard today. I would now like to turn the conference over to Matt Duch of FD.

Matt Duch

Thank you, Operator.

Before management begins their formal remarks, I would like to remind you that to the extent the Company's statements or comments represent forward-looking statements, I refer you to the risk factors and other cautionary factors in yesterday's Press Release as well as the Company's most recent SEC filings. In addition, this call is being recorded on behalf of Spherix Incorporated and is copyrighted material. It cannot be re-recorded or re-broadcast without the Company's expressed permission. As you know, participation implies consent to our taping.

I would like to now turn the call over to Dr. Robert Vander Zanden, Chairman of the Board.

Robert VZ

Thank you Matt.

Good morning, ladies and gentlemen. I am Robert Vander Zanden, Chairman of the Board of Spherix Incorporated. It is my pleasure, on behalf

of the Board of Directors and Officers of Spherix, to extend to you a warm welcome and to express our appreciation for those of you attending this meeting in person and those joining us by phone. We have already supplied each Shareholder with a copy of the Proxy Statement and the 10-K, and copies of these documents are available to any Shareholder who does not have one.

Today's call will include the Company's formal remarks regarding our achievements since our last meeting, and will provide status updates and future plans of Spherix Incorporated. The call will also include the election of Directors, and the vote on proposals to ratify the Independent Auditors, and to authorize the Reverse Stock Split Proposal. After these formal updates and voting issues have been completed, the call will end and the informal portion of the shareholder meeting will continue for those who are here in person.

Before we move on to official business, I would like to say a few words about our previous Chairman of the Board, Paul Cox, who died suddenly last April from cancer. I think it is important that we all recognize his tremendous influence on the current direction of the Spherix Company. Paul was very sure that our current direction and focus were correct and he worked with all members of the Board and Corporate Officers to help set that direction. Paul was not only a peer on the Board; he was also a personal friend. We thank him for his work and I know that we will all miss him, and his leadership.

I would now like to take a moment to introduce the Board of Directors and Company Officers, as well as other key members of the Spherix team. As I call your name, please stand to be recognized.

First, our Directors:

1. Mr. Douglas Brown
2. Dr. Claire Kruger, CEO
3. Dr. Gilbert Levin
4. Dr. Robert Lodder, Jr., President
5. Mr. Aris Melissaratos
6. Mr. Thomas Peter, who filled the vacancy of Mr. Cox

Now I would like to introduce our Officers, key employees, general counsel, and representative from our independent auditor:

1. Mrs. Katherine Brailer, Corporate Secretary
2. Mr. Randy Brown, Chief of Operations
3. Mr. Robert Clayton, Chief Financial Officer and Treasurer
4. Additionally, a new member of the Spherix team who is not able to join us today, Dr. Ram Nimmagudda, Director of New Business Development
5. Mr. James Baker, Corporate Counsel
6. Mr. Michael Buher, Grant Thornton LLP

I find it hard to believe that it has been more than two years since the InfoSpherix subsidiary was sold to permit a dedicated focus on the biotechnology portion of Spherix Incorporated. To obtain this focus, we needed money to spend on the Phase 2 and Phase 3 trials. Thanks to the action of you the Shareholders, we were able to obtain the necessary funding to continue those trials through the sale of InfoSpherix. We are making good progress on completion of those trials, and in a few minutes, Dr. Kruger will fill you in on the details of what is known today. Back then we were hopeful that our product could be a significant contributor to the treatment of Type 2 diabetes. We needed to conduct the necessary trials to determine and confirm product efficacy, and those trials needed money.

We took a calculated risk, but I believe you will all agree, after Drs. Kruger and Lodder speak, that it was the right decision to take back in 2007. I will let them tell you about the Phase 2 and Phase 3 results, but I do want to say that the Board is proud of the way that the current Spherix Officers have focused on the Biotechnology side of the business while they have generated growth and revenue from the Consulting side. The growth in the Consulting business has exceeded Board expectations, due mainly to excellent leadership and quick response to client needs and revenue opportunities. One example occurred last December. A client called with a problem that needed resolution within the last two weeks of the year – during the holiday season. Our team worked overtime to deliver a great product that met the client’s very tight time schedule and generated some significant and unexpected revenue.

I don’t want to get into Dr. Kruger’s presentation, so in a minute I will turn the meeting over to Claire. But before I turn the meeting over to her, I want you, the shareholders, to know that this group of Corporate Officers has done a great job of developing and presenting plans to the Board; plans that were detailed and concise enough for us to review and understand so that we could provide the proper oversight and guidance; and then they went about the execution of those plans with dedication, focus and above all, passion. The success of Spherix over the past two years has been the result of hard work, and great collaboration, by both the Board and the Corporate Officers. We still have a long way to go, but the team is taking the proper course necessary to successfully commercialize D-tagatose. We believe we are on the right path and we’re working diligently to get there.

But now, it is my pleasure to introduce to you, Dr. Claire Kruger, Chief Executive Officer who will begin the Company's formal comments and tell you about what has happened since we last met.

Claire

Thank you, Dr. Vander Zanden, and thanks to all of you for joining us. Since our last shareholder meeting, I am proud to report that Spherix has reached a number of key milestones, each of which we hope will increase the potential for the Company to realize its goal of commercializing D-tagatose as a novel treatment option for patients with Type 2 diabetes. Over the next few minutes, I will provide you with updates to our clinical programs involving D-tagatose, the addition of Ram Nimmagudda to our Senior Management team, the recent changes within the makeup of the Board of Directors, and a few additional activities that demonstrate our continued commitment to executing our business plan and growing shareholder value.

In regard to D-tagatose, I would like to start with a recap of yesterday's press release in which we announced findings from the interim analysis of our ongoing Phase 3 clinical study evaluating the safety and efficacy of D-tagatose as a treatment for Type 2 diabetes. These results follow, and are consistent with, the preliminary findings from the Dose Ranging Phase 2 study which were announced in June. In a few minutes, Dr. Lodder will review the interim results from both the Phase 2 and Phase 3 clinical trials, but I would like to take a moment to discuss the importance of these results to the Company, shareholders and various other stakeholders.

Current therapies for Type 2 diabetes patients that require long-term medication to control glucose levels may produce significant discomfort, and serious side effects, in these patients, including cardiovascular

disease. We believe our therapeutic approach has the potential to offer patients and clinicians an alternative for achieving their therapeutic goals without some of the attendant risks of current medications. As we have previously noted, D-tagatose's safety in humans was established in 2001 when it received the designation as Generally Recognized As Safe ("GRAS") in foods by the FDA. The Phase 2 trial has provided further support that D-tagatose is safe and well tolerated, demonstrating a favourable safety profile with respect to occurrence of treatment-related adverse events noted at all doses. Previous studies have also indicated that D-tagatose does not stimulate insulin secretion, and therefore would not be expected to exacerbate pancreatic beta cell exhaustion, and important consideration in the long-term tolerance profile for D-tagatose.

These data, combined with the fact that D-tagatose is a naturally occurring compound with no known contraindications to current Type 2 diabetes treatments, continue to lead us to believe that there will likely be a place for D-tagatose in the treatment regime as either a stand-alone or an adjunct therapy. While we will not be able to make any definitive statements regarding the efficacy of D-tagatose in treating patients with Type 2 diabetes until the Phase 3 trial is completed and the full data is evaluated in 2010, these initial results appear promising and strengthen our confidence in D-tagatose's ability to fill an unmet need among a large, and growing population of Type 2 diabetics.

Turning now to our ongoing and developing commercialization strategy, there is no point in doing clinical trials unless the company plans to market the drug as a result. The Company needed to raise \$6.35 million in new capital yesterday to remain on track to commercialize its drug, d-tagatose. Spherix's stock began the day at \$2.00 and ended at \$2.03, with a volume of 5,886,471 shares. Shareholders were not hurt by the day's activity. The

market capitalization was over \$28 million yesterday, and is still \$28 million today. At the end of the day, the shareholders owned shares in a company with a better chance of success.

In October, Spherix hosted its first Medical Advisory Board meeting. This inaugural meeting brought together ten recognized experts and thought leaders in the field of diabetes and metabolic diseases, who provided Spherix with guidance, recommendations, and strategic counsel regarding the clinical development plan that may provide us with the greatest commercial opportunities. We hope to hold additional meetings in 2010 and continue to use the lessons learned to expand and advance a plan that will leverage both the therapeutic needs of patients with Type 2 diabetes and the unique benefits that D-tagatose may offer.

In June, you may recall that we announced that Spherix had terminated the 1996 license agreement which granted Arla Foods the food and beverage rights to D-tagatose. This was a housekeeping issue that fully released both entities from all contractual obligations. As I mentioned at the time, we do recognize the potential value that D-tagatose has as a food and beverage additive in the functional food market. However, in the U.S., we are currently focusing on the potentially more profitable use of D-tagatose as a novel pharmaceutical treatment for Type 2 diabetes. We continue to be encouraged by and focused on the progress of the ongoing Phase 3 clinical trial for D-tagatose, but the termination of this agreement does provide Spherix with greater flexibility and long-term upside. Nutraceutical or functional foods are a growing segment of the industry due to their increasing popularity with health-conscious consumers and Spherix will certainly leave open the option to use D-tagatose in both foods and beverages, to complement its pharmaceutical endeavors.

One of the keys to our success will be ensuring that we can supply D-tagatose for post-FDA approval needs. In June, we received our first production batch of FDA Current Good Manufacturing Practice D-tagatose, USP grade from the manufacturer, Inalco, of Italy, and immediately entered the product into the on-going trial. While the intended use of this batch is to satisfy all of Spherix's clinical trial needs and the Chemistry, Manufacturing and Control requirements of its New Drug Application to the FDA, receiving this batch of D-tagatose from Inalco is an important milestone for our Company as it demonstrates the full-scale cGMP process that will be used to produce D-tagatose for the anticipated commercialization of the drug. Additionally, as part of the FDA approval process, a Drug Master File has been submitted to the FDA and Spherix has a Letter of Authorization to refer to the DMF when it ultimately files its New Drug Application for D-tagatose.

Now I would like to address the changes within the ranks of our Board and Senior Management team. I would like to echo our Chairman's previous remarks regarding Paul Cox and say that his leadership will be truly missed. As we previously announced, Thomas B. Peter was appointed to the Company's Board of Directors filling the vacancy of Mr. Cox. Spherix's Nominating Committee selected Mr. Peter to fill the vacancy based on his lengthy career in the pharmaceutical industry, including direct experience with Avandia, a successful Type 2 diabetes therapy. Mr. Peter spent over 33 years working at GlaxoSmithKline in numerous positions across the sales and marketing functions, and was actively involved in the promotion of Avandia and the subsequent combinations of Avandia with metformin and a sulfonylurea from the time of their respective market introductions.

I am also happy to remind you that, in May, Spherix's Board elected the Host of today's meeting, Dr. Robert J. Vander Zanden, as its new Chairman

of the Board. Dr. Vander Zanden joined the Board in 2004 following his retirement from Kraft Foods International and acted as Interim Chair for Spherix following the death of Mr. Cox. Dr. Vander Zanden's historical knowledge of the Company, along with his distinguished career in technical and business aspects of the food science industry, make him the perfect choice for the Chairman position and we look forward to receiving his continued guidance as we move closer to realizing our goal of commercializing D-tagatose.

Our Senior Management team was also strengthened this year with the hiring of Dr. Ram Nimmagudda as Spherix's Director of New Business Development. Dr. Nimmagudda brings to Spherix more than 15 years of experience in business development, nutrition and nutraceuticals, with particular expertise in novel food ingredients. At Spherix, Dr. Nimmagudda will be responsible for developing new business opportunities for both of Spherix's wholly-owned subsidiaries – Spherix Consulting and Biospherics.

Dr. Nimmagudda has extensive experience in research, the regulatory process, operations, supply chain management, and business development. Most recently, Dr. Nimmagudda held the position of Director New Business Development, South Asia, for DSM Functional Foods where he oversaw the strategic development and execution of the company's functional foods business plan for the region. In this role he focused on initiating market development activities that supported the regional growth of that business in South Asia and participating in the due diligence activities of the local acquisition and subsequent integration teams.

Now, I would like to pass the call to Dr. Lodder to provide additional detail around the D-tagatose trials and progress.

Robert L

Thank you, Claire. As mentioned, there is quite a bit for all of us to be excited about when we talk about the Biospherics subsidiary. Yesterday, we announced our interim data from the pivotal Phase 3 study, and expect the full data to be unblinded in 2010. For those of you who might be new to the Spherix story, the Phase 3 trial is an ongoing double-blind, placebo-controlled clinical study, designed to evaluate the safety and efficacy of D-tagatose for the management of type 2 diabetes. The interim analysis was conducted by an independent statistics and regulatory consulting firm, and because it is a blinded pooled analysis of the data, there is no statistical penalty.

Results of the blinded interim data analysis of the Phase 3 trial demonstrate a significant reduction in variability of HbA1c levels, the primary endpoint of the trial, increasing the statistical power to observe a significant result. The observed data to-date indicate that the change in variability of HbA1c from baseline is favorable, and that the current sample size gives the study sufficient power to achieve the statistical significance for protocol defined differences between control and D-tagatose in HbA1c when the study reaches the planned number of patients completing treatment.

The analysis noted that the results of the secondary variables, LDL, HDL, triglycerides, and body mass index (BMI), are very striking and are in agreement with that of the HbA1c results. These results demonstrate a significant decrease in the mean BMI at all time points evaluated compared to baseline. A consistent decrease of BMI and serum triglycerides was observed at each visit. A statistically significant reduction in HDL and LDL was also seen compared to baseline.

In addition to the power calculation, a summary of HbA1c "responders" (i.e.,

subjects achieving HbA1c target of <6.5%) was in the interim analysis report. NIH Medline Plus states that, in general, an HbA1c of 6% or less is normal, and diabetic patients should try to keep their HbA1c level at or below 7%. The NEET protocol sets an HbA1c lower limit of 6.6% for randomization into the trial, and an upper limit of 9%. At the time of the interim analysis, not all subjects had finished the entire treatment course of this trial; therefore the number of responders was different for different months of therapy. The incidences of responders achieving an HbA1c target of <6.5% at 1, 2, 4 and 6 months of treatment were 4%, 13%, 19% and 18% respectively. Because the trial is randomized 1:1 in terms of drug and placebo, approximately 50% of the patients receive the placebo treatment.

Additionally, earlier this year we announced results from the ongoing single-blind phase 2 study designed to establish the minimum dose of D-tagatose capable of causing a beneficial effect, and I would like to take a moment to provide some greater detail on the data. In the trial, D-tagatose is being administered orally with meals, three times daily at three different doses: 2.5, 5.0, and 7.5 g. The comparator is the 2.5 g dose and the primary endpoint for the study is reduction in HbA1c after 6 months on the drug. After 6 months on drug, the patients in the 7.5 g group experienced an average reduction of 0.3% in HbA1c from the HbA1c of the 2.5 g group. At that same 6-month point, the 5.0 g group averaged a reduction in HbA1c of 0.05% from the 2.5 g group.

Over the course of the Phase 2 trial, D-tagatose also decreased the average serum triglycerides of the patients by -59 mg/dl by the end of the first month on therapy, a decrease from baseline that remained at -41 mg/dl by the end of the 6 months of the trial. D-tagatose also decreased serum LDL by an average -13 mg/dl by the end of the first month on therapy, while

serum HDL was essentially unchanged (+0.9 mg/dl) and the LDL:HDL ratio was improved for two of the three dose groups by an average of 0.3.

While the Company has primarily focused its efforts on developing D-tagatose as a drug to treat Type 2 diabetes, the Company continues to be engaged in developing ancillary products. The Company's pipeline of compounds in preclinical research for use in conjunction with D-tagatose are designed for the treatment of the metabolic syndrome, dyslipidemias, atherosclerosis, stroke and obesity as well as diabetes. These new oral drug formulations include molecules with anti-inflammatory activity, antioxidants that inhibit lipid peroxidation, and agents that stimulate insulin production.

In our ongoing effort to raise our profile, we have aggressively ramped up our participation at key financial and scientific conferences in an effort to elevate Spherix's corporate profile and to raise awareness of our clinical development plans for D-tagatose. In 2010, we will be presenting at the 2010 OneMedForum Conference in San Francisco in January, the BIO CEO & Investor Conference in New York in February, the American College of Cardiology meeting in Atlanta, in March and at American College of Physicians meeting in Toronto in April 2010. We expect that as this conference attendance list grows, so will recognition of our name and D-tagatose among potential partners, investors and the health care professional who treat patients with type 2 diabetes.

To reiterate, we are very excited about the results and safety profile we have seen with D-tagatose. We believe there is a real opportunity for D-tagatose to meet a unique unmet need in the treatment of this epidemic disease.

I will now turn the call back over to Dr. Kruger.

Claire

Thank you Robert. As many of you know, in addition to being the CEO of Spherix, I also act as the Director of Spherix Consulting. Before moving on to the voting, I would like to say that this subsidiary, which may be overshadowed at times by the exciting events and news that comes out of the Biospherics subsidiary, continues to grow and generate a critical revenue stream for the company.

This concludes our formal remarks and I will now turn the meeting back over to our Chairman to conduct the voting.

Robert VZ

Thank you Claire.

Mrs. Brailer, has the Notice of this Meeting been sent to all Shareholders entitled to vote at this meeting?

Kathy

Yes.

Robert VZ

Thank you. Mrs. Brailer has also been appointed Inspector of Election. Will you please present your report of attendance at this Meeting so that we can determine whether a quorum is present.

Kathy

There were 14.4 shares entitled to vote as of the September 18, 2009 Record Date. There are approximately 12.4 million shares, or 86% of the shares present by Proxy.

Robert VZ

Thank you. On the basis of the report of the Secretary and the Inspector of Election, I find that proper Notice has been given and that a quorum is present; accordingly, this Meeting has been properly convened. The polls for voting on all matters are hereby opened.

Robert VZ

Each matter to be acted on at this Meeting will be discussed separately. At the conclusion of the discussion of all items, voting will take place for those requesting ballots. We will then tally and report the votes.

Mrs. Brailer, were there any Shareholder nominations or proposals for business for this meeting properly filed with you as Secretary?

Kathy

No.

Robert VZ

Since no Shareholder nominations or proposals were properly filed in advance of this Meeting, the business of this Meeting is limited to the three matters on the Agenda.

The first proposal we will consider is the election of seven Directors to serve until new Directors are elected at the next Annual Meeting. Information concerning their principal occupations, their service with Spherix Incorporated, and other matters which may be of interest are contained in the Proxy Statement. No additional nominations may be made at this Meeting, so, therefore, I declare nominations to be closed. Is there any discussion with respect to the nominations for Director?

Robert VZ

The second item of business we will consider is the ratification of the appointment of Grant Thornton LLP as independent auditors for the fiscal year ending December 31, 2009.

Mr. Michael Buher is here to represent Grant Thornton and are available to answer appropriate questions.

Is there any discussion with respect to ratification of auditors?

Robert VZ

The third and final item of business we will consider is a proposed reverse stock split as described in detail in the Proxy Statement.

Is there any discussion with respect to proposed reverse stock split?

Robert VZ

I believe that concludes discussion on all matters.

We shall now proceed with the voting. Most of you have already voted and there is no need for you to recast your vote. If you have not voted yet, please raise your hand so that a ballot may be given to you.

Robert VZ

Will the Shareholders who just received ballots please mark their ballots as to Items 1, 2, and 3.

Please collect the ballots from all Shareholders present who have indicated a desire to vote by ballot rather than by proxy.

Mrs. Brailer please tally the final votes.

Robert VZ

Mrs. Brailer, would you now present your report on the vote.

Kathy

"Each Director Nominee has received the necessary plurality of votes required."

"A majority of the votes cast has voted FOR ratification of Grant Thornton LLP as the Company's independent certified public accountants for fiscal year 2009."

"A majority of the votes cast has voted FOR the proposal to authorize the Board of Directors to effect a reverse stock split of the company's issued and outstanding common stock."

Robert VZ

Thank you. The report of the Inspector of Election as presented is accepted. The Director Nominees have been duly elected and Grant Thornton LLP is hereby appointed Spherix's independent certified public accountant for fiscal year 2009.

In addition, the Board is now authorized, in its discretion, to determine when and if to effect the reverse stock split of the common stock, within a range of 1:5 to 1:20, at any time within eighteen (18) months of this meeting.

I want to thank all of you for attending today's Shareholder's Meeting and for the interest you have shown in the affairs of your Company.

I will now ask for a motion to adjourn the formal meeting.

This Meeting is hereby adjourned to our Informal Meeting.

Operator

Thank you. This concludes Spherix Incorporated's 2009 Annual Shareholder's Meeting conference call.

Robert VZ

We will now open the floor to questions from our shareholders.