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(NYSE Amex: DXR) Daxor Corporation Announces Year End 2010 Earnings

NEW YORK, NY--(Marketwire - March 28, 2011) - Daxor Corporation, (NYSE Amex: [DXR](#))

Selected Financial Data:	YEAR ENDED	
	December 31, 2010 -----	December 31, 2009 -----
Total Operating Revenues	\$ 1,579,257	\$ 1,688,826
Total Operating Expenses	\$ 7,238,368	\$ 6,798,014
Net Loss from Operations	\$ (5,659,111)	\$ (5,109,188)
Total Other Income	\$ 14,009,267	\$ 12,261,060
Net Income Before Income Taxes	\$ 8,350,156	\$ 7,151,872
Income Tax Expense	\$ 3,381,892	\$ 1,329,114
Net Income	\$ 4,968,264	\$ 5,822,758
Weighted Average Number of Shares Outstanding-Basic	4,237,216	4,262,643
Earnings per Share-Basic	\$ 1.17	\$ 1.37
Weighted Average Number of Shares Outstanding-Diluted	4,237,216	4,284,643
Earnings per Share-Diluted	\$ 1.17	\$ 1.36
Dividends per Share	\$ 1.00	\$ 1.35

Daxor Corporation, (NYSE Amex: [DXR](#)), a medical instrumentation and biotechnology company, announced earnings today for the year ended December 31, 2010. The Company had basic and diluted earnings of \$1.17 and \$1.17 per share respectively, in 2010, versus basic and diluted earnings per share of \$1.37 and \$1.36, respectively in 2009. This reduction can mainly be attributed to the increase in income tax expense to \$3,381,892 in 2010 from \$1,329,114 in 2009. More than 99% of the Company's other income consists of income from investments.

Operating revenues decreased by 6.5% in 2010 to \$1,579,257 from \$1,688,826 in 2009. The significant reduction in Medicare reimbursement for diagnostic radiopharmaceutical products such as Daxor's Volumex Kit that became effective in 2008 continues to negatively impact the sale of Blood Volume Analyzers.

Company Management believes that this reduction in reimbursement for the Volumex Kit will ultimately prove to be self defeating because it is likely to result in the discharge of inadequately treated congestive heart failure patients from hospitals. This will in turn lead to higher rates of readmission and increased death rates in congestive heart failure patients which could otherwise be avoided.

The Company engages in short-term trial agreements to allow customers to begin utilization of the instrument and to become familiar with the clinical benefits of a measured blood volume prior to purchase of the instrument.

The revenues from kit sales decreased by 10.4% in 2010 versus 2009 which can be attributed to a decrease in utilization of the Blood Volume Analyzer. There were the same number of instruments (56) in service on December 31, 2010 as on December 31, 2009.

At December 31, 2010, the Company had total assets of \$91,195,415 and stockholders' equity of \$46,995,044 versus total assets of \$75,186,990 and \$47,625,337 of stockholders' equity at December 31, 2009. The Return on Average Stockholders' Equity decreased to 10.5% in 2010 from 12.8% in 2009 due to a decrease in net income from \$5,822,758 in 2009 to \$4,968,264 in 2010.

For the year ended December 31, 2010 consolidated expenses, not including cost of goods sold, increased by 6.9% to \$6,510,718 in 2010 from \$6,093,148 in 2009. This increase in expenses was mostly due to the following two factors:

- An increase in research and development expenses to \$3,041,640 in 2010 from \$2,825,151 in 2009. Management remains strongly committed to the Company's ongoing research, development and marketing efforts.
- Increased professional fees of \$302,085 in 2010 which is mostly due to costs relating to the SEC administrative proceeding that were incurred in 2010. The SEC proceeding is discussed in greater detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2010 which will be filed later today.

Gains on sales of securities and dividend income were \$15,735,516 or 52.8% of average invested capital for the year ended December 31, 2010 and \$13,848,176 or 34.9% for the year ended December 31, 2009. The invested capital at December 31, 2010, 2009 and 2008 was \$30,967,959, \$28,630,149 and \$50,709,601 respectively.

The Company paid total dividends of \$4,229,520 or \$1.00 per share in 2010 and \$5,739,299 or \$1.35 per share in 2009. The Company has yet to declare or pay a dividend in 2011. The goal of Company Management is to pay a minimum total yearly dividend of \$1.00 per share as long as funds are available.

For more detailed information on our financial results, please refer to our Annual Report on Form 10-K for the year ended December 31, 2010 which will be filed later today.

The BVA-100 Blood Volume Analyzer produced and marketed by Daxor Corporation provides key information that can be used to diagnose and treat various medical conditions including congestive heart failure, hypertension, anemia, blood loss during surgery, trauma, and shock (collapse of blood pressure). At the present time, physicians must treat these conditions by guessing whether or not they are due to volume expansions or contractions. The Blood Volume Analyzer allows precise quantitation of patients' total blood volume and red blood cell volume, which takes the guesswork out of this process. Appropriate therapies can then be employed to correct excesses or deficits in volume, leading to better outcomes for patients.

Nineteen published peer-reviewed research studies sponsored by Daxor Corporation since 2002, as well as twenty-two studies presented at major medical conferences since 2006, document that precise determination of blood volume status may save lives and result in better outcomes for patients. Previously published studies by Dr. Stuart Katz and colleagues at the Columbia University Medical School have provided evidence for the guidelines which recommend that healthcare providers perform a blood volume evaluation at every clinical visit for congestive heart failure patients.

This study showed that heart failure patients with normal blood volumes were all still alive at the end of one year, whereas 39% of patients with expanded blood volume had died; at the end of two years, all of the normovolemic patients were still alive, while 55% of the patients with expanded blood volume had died. This study also documented that experienced physicians were correct only 51% of the time in estimating patients' blood volume status.

Dr. Mihae Yu and colleagues at The Queen's Medical Center in Honolulu, Hawaii, have conducted a research study to evaluate the use of blood volume measurement in the critical care unit. Their most recent findings were published in the March 2011 issue of the medical journal Shock. The results showed that use of the BVA-100 to guide fluid and red blood cell management led to a significant improvement in mortality in critically ill surgical patients with septic shock, severe sepsis, severe respiratory failure and/or cardiovascular collapse. Patients in the control group exhibited a significantly greater death rate (24%) than did patients in the blood volume measurement group (8%; $P=0.03$). In addition, patients in the control group had longer hospital stays (54.7 days) compared to patients in the blood volume group (43.7 days). These findings indicate that blood volume analysis permits more accurate assessment of patients' volume status and more precise fluid resuscitation, which leads to shorter hospital stays and a significant number of lives being saved.

The passage of the Patient Protection and Affordable Care Act (H.R. 3590) in March 2010 gave Centers for Medicare and Medicaid Services (CMS) the authority to penalize hospitals for excess readmission rates in heart failure, acute myocardial infarction, and pneumonia beginning in 2013. Hospitals that readmit heart failure patients within 30 days of discharge will not be reimbursed. This has important financial implications, as it effectively penalizes hospitals for not optimally treating patients during their initial visits.

This highlights a significant opportunity for the BVA-100, which may be used to identify patients at higher risk of mortality due to inadequate treatment of blood volume overload. This may help to drive increased utilization of the BVA-100: Medicare reimburses hospitals on the basis of diagnostic related guidelines (DRGs). Under the current system, when a patient is admitted for heart failure, the hospital is paid the same amount of money whether the patient is hospitalized for 2 days or for 10 days. Not surprisingly, the hospital's physicians are under great pressure to discharge the patient as quickly as possible. This has produced a situation in which 20% of heart failure patients are readmitted within 30 days or less.

Additional information on Daxor and the BVA-100 can be found on the Company's website at www.daxor.com.

Contact Information:

Daxor Corporation
Stephen Feldschuh
212-330-8515
(Chief Operating Officer)
stephen@daxor.com

or

David Frankel
212-330-8504
(Chief Financial Officer)
dfrankel@daxor.com