



SOURCE: Daxor Corp.



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Daxor Corporation Announces Year End 2011 Earnings

NEW YORK, NY--(Marketwire - March 26, 2012) - Daxor Corporation (NYSE Amex: DXR)

	Year Ended	
	December 31, 2011	December 31, 2010
Total Operating Revenue	\$ 1,446,345	\$ 1,579,257
Total Costs & Expenses	<u>7,232,759</u>	<u>7,238,368</u>
Loss From Operations	(5,786,414)	(5,659,111)
Total Other (Loss) Income	<u>(6,541,301)</u>	<u>14,009,267</u>
(Loss) Income Before Income Taxes	(12,327,715)	8,350,156
Income Tax (Benefit) Expense	<u>(5,142,076)</u>	<u>3,381,892</u>
Net (Loss) Income	<u>\$ (7,185,639)</u>	<u>\$ 4,968,264</u>
Weighted Average Number of Shares Outstanding - Basic and Diluted	4,219,654	4,237,216
(Loss) Income Per Share-Basic and Diluted	\$ (1.70)	\$ 1.17
Dividends Per Share	\$ 0.25	\$ 1.00

Daxor Corporation, (NYSE Amex: DXR), a medical instrumentation and biotechnology company, announced earnings today for the year ended December 31, 2011. The Company had a basic and diluted loss of \$(1.70) per share in 2011. In 2010, the Company had basic and diluted earnings of \$1.17 per share. The loss in 2011 can mainly be attributed to a reduction in realized gains on sales of investments from \$13,509,318 in 2010 to \$33,189 in the current year. The loss from marking short positions to market increased to \$(8,501,859) in 2011 from \$(1,526,064) in 2010.

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Income tax benefit for the year ended December 31, 2011 consists of reductions in income taxes of \$1,951,807 and \$3,190,269 in deferred taxes. The reduction in deferred taxes is primarily attributable to the loss from the marking to market value of short positions. Income tax expense for the year ended December 31, 2010 consisted of accruals of \$3,546,934 for income tax taxes and \$852,000 for personal holding company taxes which were partially offset by a reduction of

The net realized gains on the sale of investments were \$33,189 for the year ended December 31, 2011 versus \$13,509,318 for the year ended December 31, 2010. For the year ended December 31, 2011 the Company had a loss from marking to market short positions of options and equity securities of \$(8,501,859) versus a loss of \$(1,526,064) in 2010. The decrease in investment gains and increased mark to market losses were the main reason the Company had a loss in 2011.

\$1,017,042 in deferred taxes.

Operating revenues decreased by 8.4% in 2011 to \$1,446,345 from \$1,579,257 in 2010. This is mainly attributable to no Blood Volume Analyzers being sold in 2011 versus one machine being sold in 2010 for a total of \$65,000 and a decline of \$52,370 or 5.1% in kit sales. The significant reduction of 33% 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 and Volumex Kits. There were 61 Blood Volume Analyzers in service at December 31, 2011 versus 56 at December 31, 2010.

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.

At December 31, 2011, the Company had total assets of \$85,724,861 and stockholders' equity of \$36,216,591 versus total assets of \$91,195,415 and \$46,995,044 of stockholders' equity at December 31, 2010. The Return on Average Stockholders' Equity decreased to (17.3) % in 2011 from 10.5% in 2010 due to a net loss of \$(7,185,639) in 2011 versus net income of \$4,968,264 in 2010.

For the year ended December 31, 2011 consolidated expenses, not including cost of goods sold, increased by 1.1% to \$6,580,248 in 2011 from \$6,510,718 in 2010.

There were increased professional fees of \$545,540 in 2011 which was mostly due to costs relating to the SEC administrative proceeding. The SEC proceeding is discussed in greater detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 which will be filed later today. The increased professional fees were offset by reductions in payroll and related expense of \$224,859 and \$335,688 in research and development costs.

On August 31, 2011 an Administrative Law Judge of the SEC issued his decision finding Daxor to be an Investment Company as defined by the Investment Company Act of 1940. A major factor in the decision was his opinion that we are in the business of investing and more than 40% of our assets are comprised of investment securities.

On October 26, 2011, the Company filed a petition for review of the decision and requested that it be withdrawn on November 22, 2011. On February 10, 2012 the SEC notified the Company that the request to withdraw the petition for review and notice of finality had been approved.

The Company plans to file a Form N-8A (Notification of Registration Filed Pursuant to Section 8 (a) of the Investment Company Act of 1940) shortly after our Form 10-K for the year ended December 31, 2011 is filed. We have 90 days from when the N-8A is filed to file our Form N-2 which is the Registration Statement. The Company plans to file the N-2 as soon as possible after the N-8A is filed and to begin reporting as an Investment Company effective January 1, 2012.

The management of the Company believes the additional disclosures that will be necessary when Daxor reports as an Investment Company will not materially affect investment policies and practices currently in place.

Gains on sales of securities and dividend income were \$2,270,923 or 6.7% of average invested capital for the year ended December 31, 2011 and \$15,735,516 or 52.8% for the year ended December 31, 2010. The invested capital at December 31, 2011, 2010 and 2009 was \$36,463,635, \$30,967,959 and \$28,630,149 respectively.

The Company paid total dividends of \$1,054,450 or \$0.25 per share in 2011 and \$4,229,520 or \$1.00 per share in 2010.

For more detailed information on our financial results, please refer to our Annual Report on Form 10-K for the year ended December 31, 2011 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.

The passage of the Patient Protection and Affordable Care Act (H.R. 3590) in March 2010 gave