MISSION STATEMENT

THE DAXOR MISSION STATEMENT:
To establish blood volume measurement as a standard of care in all medical conditions where blood volume derangements are known to occur. Our second priority is to demonstrate that utilization of frozen blood banking technology has the potential to reduce the risks associated with blood transfusions and to encourage the transfusion of one’s own blood where applicable. It is our goal, working in conjunction with others, to achieve these possibilities.
THE BVA-100

It is our belief that every hospital in the U.S. that treats patients for blood volume abnormalities should have a Blood Volume Analyzer as a standard of care.

THE MEASUREMENT OF HUMAN BLOOD VOLUME

THE BLOOD VOLUME ANALYZER BVA-100® is the first and only FDA-approved instrument of its kind to provide a rapid and direct measurement of a patient’s total blood volume, red cell volume and plasma volume. The BVA-100 is used in conjunction with Volumex™, Daxor’s single-use diagnostic radiopharmaceutical and patient blood sample collection kit.

Daxor’s BVA-100 can measure blood volume within 90 minutes from patient start to final report. In emergency situations, essential preliminary results can be obtained within 30 minutes. Most importantly, the BVA-100 provides a 98% accurate measurement of the amount of blood in a patient’s intravascular system. For the first time, physicians have access to technology that enables them to obtain accurate blood volume measurements in a rapid manner.

Although blood volume measurements have been available for over 60 years, previous testing methods often required 4-8 hours to complete and were very difficult to perform accurately. As a result, blood volume measurements were rarely obtained. Until recently, physicians have been forced to rely on surrogate or substitute blood tests or highly invasive procedures, neither of which directly measures a patient’s blood volume. Many published clinical studies have shown that such substitute tests have been highly misleading in a variety of surgical, chronic and acute medical conditions.

It is Daxor’s mission to demonstrate how measured blood volumes obtained by the BVA-100 will improve care in patients and create a new and advanced evidence-based standard of care in patients with chronic and acute medical conditions.

The BVA-100 is a diagnostic test that is typically performed by a hospital’s nuclear medicine or laboratory department, or by a diagnostic facility or physician’s office which offers various nuclear medicine diagnostic tests. The BVA-100 system combined with the prepackaged Volumex diagnostic radiopharmaceutical (Albumin I-131) and patient blood sample collection kit allows testing facilities to incorporate blood volume measurements into many clinical situations where blood volume abnormalities often occur.

“...offers the opportunity for the incorporation of accurate radioisotopic blood volume measurement into clinical situations in which blood volume derangements are known to occur...”

—Dr. Howard Dwarkin, Beaumont Hospital, Past President, Society of Nuclear Medicine

THE BVA-100 IS CURRENTLY PLACED IN MANY MAJOR HOSPITALS INCLUDING THE FOLLOWING:

- The Cleveland Clinic (OH)
- The Mayo Clinic (MN)
- Columbia-Presbyterian Medical Center (NY)
- New York University Medical Center (NY)
- Southwest Texas Methodist Hospital (TX)
- The Queen’s Medical Center, University of Hawaii (HI)
- The Veterans Administration Hospital System
- Christiana Care Health System (DE)
- Vanderbilt University Medical Center (TN)
- National Institutes of Health (MD)
- Emory University Hospital (GA)
- Kaiser Permanente, Los Angeles Medical Center (CA)
- Virginia Commonwealth University Medical Center (VA)
- Lenox Hill Hospital (NY)
- Oregon Health and Science University (OR)
- The Valley Hospital (NJ)
- Fresno Heart and Surgical Hospital (CA)
- Roper Hospital (SC)
- Westchester Medical Center (NY)
- Baltimore VA Hospital (MD)
- Medical University of South Carolina (SC)
- Harborview Medical Center (WA)
- Loma Linda (CA)
- Geisinger (PA)
CONGESTIVE HEART FAILURE

FIVE MILLION PATIENTS IN THE UNITED STATES have been diagnosed and are being treated for heart failure and 40% with additional diagnoses of heart failure occur every year. Heart failure accounts for 15 million doctor’s office visits and 6.5 million hospital days each year. Over 300,000 patients die annually from a primary or contributory heart failure diagnosis.

Heart failure is frequently associated with blood volume abnormalities that range from an expanded blood volume to severe anemia. The American College of Cardiology/American Heart Association (ACC/AHA) guidelines for diagnosing and treating heart failure recommend assessing volume status in all heart failure patients and specifically recommend treating patients so that any blood volume abnormalities are corrected.

Published peer-reviewed clinical studies have shown that clinical assessment of heart failure patients’ volume status using surrogate methods is extremely inaccurate, such that trained physicians correctly diagnose a patient’s volume status only 51% of the time. These studies have also shown that when the BVA-100 was used to determine the volume status of heart failure patients, that those patients with a normal to slightly low blood volume had a 100% survival rate over a two year period versus a 35% death rate for patients with an abnormally expanded blood volume status.

The BVA-100 enables a physician treating a heart failure patient to precisely diagnose and treat the patient’s blood volume abnormality. Both over- and under-treatment with diuretic drugs may provide important information about a patient’s volume status only 51% of the time. By measuring the blood volume and specifically treating any volume derangements, physicians can avoid mistakes of under- or over-treatment.

One of the largest and most important studies in the company’s history is the multi-hospital study utilizing the blood volume analyzer to direct therapy in the treatment of congestive heart failure. The principal investigator is Dr. Stuart Katz, Director of the Heart Failure Program at New York University Medical Center. A minimum of 10 and as many as 12 hospitals are expected to participate in the study, which has already begun, with 8 hospitals currently participating. If it can be shown that utilizing blood volume measurement to direct therapy results in a lower death rate and decreased frequency of hospitalization, this would provide very strong evidence for making the blood volume analyzer a standard of care in the treatment of congestive heart failure.

Daxor is actively marketing to and educating cardiologists, heart failure physicians and primary care doctors who treat heart failure about the benefits of a blood volume analysis, such as improved care and reduced costs associated with treating heart failure. We are also actively pursuing clinical studies to demonstrate improvements in heart failure treatment and care with blood volume analysis.

“Early, and clinically appropriate, achievement of fluid resuscitation endpoints to avoid long-term system failure may be assisted by blood volume analysis, which provides an attractive noninvasive alternative for volume assessment.”

—Dr. Mihae Yu, The Queen’s Medical Center, University of Hawaii

“Despite advances in formalized critical care research, sepsis and septic shock are still the most significant causes of mortality in the intensive care unit. Blood volume measurement may be particularly beneficial to establish fluid management goals and endpoints of treatment in sepsis and septic shock patients.”

—Dr. Danny Takanishi, The Queen’s Medical Center, University of Hawaii

THE IMMEDIATE TREATMENT GOALS FOR CRITICALLY ILL PATIENTS are to stabilize their hemodynamics (heart rate and blood pressure) and to determine their blood volume status. Critical care physicians are often faced with a difficult choice of increasing a patient’s blood volume with either blood transfusions or I.V. saline fluid to support a patient’s hemodynamic status, or decreasing accumulated fluid with powerful diuretics, ultrafiltration or dialysis. Frequently used tests to determine a critical care patient’s fluid status do not actually measure a patient’s blood volume. These tests range from monitoring vital signs to simple blood tests like the hematocrit or hemoglobin—which only measure the thickness of blood—to highly invasive tests like the pulmonary artery catheter (PAC), which measures heart and blood pressures.

Several recent published studies and scientific clinical presentations from the Queen’s Medical Center, University of Hawaii have shown that commonly used surrogate markers and substitute tests, which are often used in the intensive care unit, do not correlate with a patient’s measured blood volume. The results of these and other studies showed that clinical signs, symptoms and surrogate tests, such as pulse pressure, inferior vena cava collapse fraction and pulmonary artery catheterization (PAC) did not provide an accurate estimate of a patient’s blood volume. In one study, use of the BVA-100 led to a treatment change in 16% of cases relative to the treatment that would have been pursued based on surrogate measures alone. The effect of the altered treatment was assessed 6–12 hours after the change to see if it resulted in improved fluid regulation, kidney function and heart function. 39% of patients showed a desirable clinical response to the change in treatment based on blood volume analysis. The remainder of the patients showed no change in status as a result of the treatment. No negative responses to the change in treatment were observed.

A major study headed by Dr. Mark Schreiber, et. al. was published in J. Trauma. 2011;70: 646-651. This study involved 86 blood volume measurements on critically ill patients in the intensive care unit. The study focused on the use of hematocrit measurements, the standard blood volume surrogate test and whether it accurately showed the patient’s true blood volume status. The study showed that 73% of the patients did not have a normal blood volume which was not correctly evaluated by hematocrit measurements. Most importantly, 46.7% of the patients were over diagnosed as anemic because they received too much fluid, diluting their blood. 25% of patients were under diagnosed because they had low blood volume and would have been under treated. This is a common occurrence everyday in intensive care units that patients who may not need a transfusion are treated with a transfusion, and patients who desperately need a transfusion do not get a transfusion or get a delayed transfusion, which frequently results in acute kidney failure. This may result in the death of the patient or a need for permanent renal dialysis treatment.

In January 2009, the revised edition of the textbook Critical Care, Fourth Edition was published which featured a new chapter on the benefits of blood volume measurements in critical care medicine. This is the major textbook used by intensive care unit physicians. The fact that blood volume measurement was included in the latest edition of this popular textbook signals the newly recognized importance of blood volume assessment in the ICU.

SEPTIC SHOCK

More than 100,000 patients die annually from septic shock. This serious condition has a 45-70% mortality rate. In septic shock there is a collapse of blood pressure which, unless quickly reversed, often results in death.

Another major published study (Shock, Vol. 35, No. 3, pp. 220-228, 2011) was from The Queen’s Medical Center in Hawaii on intensive care unit patients. This study examined whether use of blood volume data in addition to pulmonary artery catheter (PAC) data to guide resuscitation led to improved outcomes in critically ill surgical patients with septic shock, severe sepsis, severe respiratory failure and/or cardiovascular collapse. The most startling finding was that in a group of critically ill patients where blood volume was used in the ICU to guide therapy, there was an 8% death rate when blood volume measurement was used to guide therapy vs. a 24% death rate using a PAC alone.
PREOPERATIVE BLOOD SCREENING FOR HIDDEN ANEMIA

During surgery it is essential to maintain an adequate level of blood and blood flow to the tissues in the body, especially the brain.

The standard tests used to estimate a patient’s blood volume prior to surgery are the hematocrit or hemoglobin tests, which have been in use for almost 95 years. These tests measure the ratio of red blood cells to the total blood volume, but they do not measure a patient’s actual blood volume. A normal hematocrit of 45% for a male patient might indicate that a patient has a normal blood volume and a normal red cell volume. However, because these tests measure the proportion of blood constituted by red cells, they might also indicate that a patient has a low total blood volume and low red cell volume; or a high total blood volume and a high red cell volume.

Because of the unreliable information provided by the hematocrit and hemoglobin, patients may enter surgery suffering from “hidden anemia”—anemia that is not detected through physical examination or hematocrit/hemoglobin measurements. It is relatively common for patients to be operated upon in an anemic state, which can lead to an inadequate supply of blood to the organs during surgery and an increased need for blood transfusions following surgery.

In a report from the Journal of Clinical Anesthesia, researchers at the Maimonides Medical Center reported that female patients undergoing coronary artery bypass graft surgery needed four times more blood transfusions than did male patients. Since many physicians are reluctant to transfuse donor blood because of the documented risks associated with transfusions, the BVA-100 can be used to measure a patient’s blood volume prior to surgery to identify any potential volume deficits. If necessary, patients can be treated with red blood cell stimulating medications such as EpoGen® or Procrit® so that they enter surgery with an optimal amount of blood. This can enable physicians to avoid operating on patients who may be in a severely blood-depleted state and who may therefore suffer from blood volume related complications.

Dxor has sponsored studies which have been previously presented in press releases. One such study was on cardiac patients at Virginia Commonwealth University (VCU) who had their blood volume measured just prior to surgery, immediately after surgery, and two hours later. These studies provided evidence that patients may have hidden anemia, which could not be identified except with an actual blood volume measurement. This study was presented at the 2010 Society of Cardiovascular Anesthesiologists.

A specific trial to diagnose and treat African-American hypertensive patients based upon their blood volume findings is of particular interest as several previous studies have suggested that African-American hypertensive patients are primarily volume overloaded hypertensive rather than vasoconstricted. However, preliminary unpublished studies have demonstrated that African-Americans do not uniformly exhibit hypertension caused primarily by excessive tightening of the blood vessels and may have a normal or even decreased blood volume. These “vasoconstricted hypertensive” patients are instead given vasodilator drugs to relax the blood vessels. Treating a volume overloaded hypertensive patient with vasodilators, or treating a vasoconstricted patient with diuretics, may initially lower a patient’s blood pressure, but it may eventually cause severe organ damage and other chronic conditions. A blood volume measurement can distinguish volume overloaded versus vasoconstricted hypertension and provide an evidence-based treatment to hypertensive patients.

Planned clinical trials which utilize the BVA-100 to guide hypertensive goal-directed therapy are ongoing. A specific trial to diagnose and treat African-American hypertensive patients based upon their blood volume findings is of particular interest as several previous studies have suggested that African-American hypertensive patients are primarily volume overloaded hypertensive rather than vasoconstricted. However, preliminary unpublished studies have demonstrated that African-Americans do not uniformly exhibit volume overload hypertension. Treating patients with diuretics who do not have volume overloaded hypertension increases the risk of developing kidney failure. It is expected that by using a blood volume analysis to guide treatment, hypertensive patients may experience better outcomes.

HYPERTENSION

There are more than 50 million Americans with hypertension (high blood pressure). Despite advances in various pharmaceutical treatments, only 34% of patients diagnosed with hypertension are adequately treated. Treating high blood pressure is a trial and error process that involves choosing from more than 50 drugs currently approved for hypertension therapy. Hypertension can be due to either of two underlying causes: (1) volume overload or (2) vasoconstriction. Some patients with hypertension have an expanded blood volume. Such patients should be given a diuretic, which causes the kidneys to excrete water, thereby reducing the overall blood volume. This reduces the high blood pressure due to “volume overloaded hypertension”.

In contrast, some patients may have hypertension caused primarily by excessive tightening of the blood vessels and may have a normal or even decreased blood volume. These “vasoconstricted hypertensive” patients are instead given vasodilator drugs to relax the blood vessels. Treating a volume overloaded hypertensive patient with vasodilators, or treating a vasoconstricted patient with diuretics, may initially lower a patient’s blood pressure, but it may eventually cause severe organ damage and other chronic conditions. A blood volume measurement can distinguish volume overloaded versus vasoconstricted hypertension and provide an evidence-based treatment to hypertensive patients.

Planned clinical trials which utilize the BVA-100 to guide hypertensive goal-directed therapy are ongoing. A specific trial to diagnose and treat African-American hypertensive patients based upon their blood volume findings is of particular interest as several previous studies have suggested that African-American hypertensive patients are primarily volume overloaded hypertensive rather than vasoconstricted. However, preliminary unpublished studies have demonstrated that African-Americans do not uniformly exhibit volume overload hypertension. Treating patients with diuretics who do not have volume overloaded hypertension increases the risk of developing kidney failure. It is expected that by using a blood volume analysis to guide treatment, hypertensive patients may experience better outcomes.
THE UNDERLYING CAUSE OF SYNCOPE, which is the sudden loss of consciousness due to a severe drop in blood pressure, remains unknown in up to 37% of all cases. Commonly referred to as fainting, treatment is often based upon a trial and error process. Syncope can result from a number of factors, one of which is low blood volume.

The diagnostic work-up of a syncope patient typically involves tilt table testing. Tilt table testing requires a patient to lay flat on a table while the patient’s heart rate and blood pressure are monitored. The head of the table is raised and lowered to determine if a patient naturally responds with an increase in heart rate and blood pressure (vasomotor tone) to assure blood flow to the brain to prevent fainting when the head of the table is raised. A patient’s response to tilt testing may be compromised if the patient has a low blood volume.

The largest study of blood volumes in syncope patients was published in July 2007 by the Cleveland Clinic in the American Journal of the Medical Sciences. In this study, it was reported that syncope patients showed considerable variation in their blood volumes. 539 symptomatic patients were evaluated and were receiving therapy to either increase their volume status, increase their response to lower pressures (vasomotor response), or both. Following a blood volume analysis, it was determined that many of the patients were receiving inappropriate or inadequate treatment. Of those patients that were taking drugs to increase their vasomotor response, 33% had a low blood volume, putting them at risk for decreased perfusion. For those patients taking drugs to increase their blood volume, 48% were still volume-depleted. Of the patients taking both vasomotor and volume stimulating drugs, 90% of these patients still exhibited low blood volume.

The results of this study suggest that a blood volume analysis should be included in the general diagnostic work up of all syncope patients.

Westchester Medical Center has just initiated a study utilizing the blood volume analyzer in patients who have a history of syncope. The study is sponsored by the Stars Organization.

**DID YOU KNOW?**

a) It is estimated that loss of consciousness will affect up to 50% of the population at some time in their life?

b) Syncope is the most common cause of fainting.

c) Fainting episodes account for 6% of Emergency Room visits and up to 3% of hospital admissions in the U.S.

d) Syncope can often be misdiagnosed as epilepsy due to a similarity in symptoms; 30% of adults and 39% of children are misdiagnosed with epilepsy, even though many of them actually are experiencing syncope.

ANEMIA IN CANCER PATIENTS OR HIV-POSITIVE PATIENTS ON CHEMOTHERAPY

Patients with cancer or who are HIV positive commonly develop decreased red blood cell production. This can lead to symptoms of fatigue and reduced survival rates. Cancer patients commonly have hidden anemia and often remain untreated because standard tests do not reveal the extent or severity of their anemia. Such patients can be correctly diagnosed with a blood volume measurement. The use of blood-stimulating medications such as Epogen® or Procrit® can increase red blood cell production, thereby reducing symptoms, and improving survival in these patients. Recently, however, studies involving the use of Epogen® have suggested that there might be an increased death rate in some patients with the use of these stimulants. As a result, the FDA has required a “black box warning” to be issued with each prescription of this medication. A study partially sponsored by the Amgen Corporation on the use of these medications in congestive heart failure patients demonstrated that in heart failure patients, experienced physicians could not differentiate between patients who had an expanded blood volume and an artificially lowered hematocrit, and patients who had a contracted blood volume and an artificially elevated hematocrit without performing an actual blood volume measurement. In the studies which led to the FDA warning, there was a significant overshoot of red blood cell production targets in response to these drugs. To date, there has been no study in which blood volume was measured in conjunction with Epogen® treatment in cancer patients. There is a significant possibility that the problems with excessive treatment were caused by lack of knowledge of the patient’s true red cell volume status and, therefore, incorrect treatment in some cases. Daxor is now exploring the possibility of conducting such studies with Amgen representatives.

Blood volume derangements are common and are not identified through tilt table testing. Blood volume measurement should be included in syncope diagnosis.”

—Dr. Fetnat Foud-Tarazi, Cleveland Clinic

Cancer patients commonly have hidden anemia that remains untreated. Physicians are faced with a difficult choice of administering a transfusion, which may cause infection or other complications, or withholding a transfusion from a patient who may suffer complications from low blood volume.

RENOV OR KIDNEY FAILURE

There are 500,000 patients with kidney failure in the United States of which 250,000 receive renal dialysis treatments. Patients on renal dialysis treatment have major changes in their blood volume during their treatment. These patients also suffer from severe anemia and can require injections to stimulate their blood production. Such patients have a 41% mortality rate from an initial heart attack. Blood volume measurement can define the appropriate amount of fluid to be removed during renal dialysis.

In kidney failure patients, accurate blood volume measurement can be instrumental in diagnosing the extent of the condition, choosing the appropriate treatment, and monitoring its success. A more complete list of blood volume-related medical problems can be found on Daxor’s website, www.daxor.com.

CHRONIC FATIGUE SYNDROME

Chronic Fatigue Syndrome affects over one million Americans. In its more severe forms, it may be so disabling that individuals are unable to engage in normal activity, and many end up on disability. Studies have suggested that susceptible individuals may experience sudden drops in blood pressure, which may trigger fainting. A preliminary study has suggested that some of these individuals may suffer from low blood volume, which cannot be detected by the standard tests such as hemoglobin and hematocrit that are often used to detect anemia. Low blood volume, particularly low red cell volume, may cause an individual to be susceptible to feelings of weakness and fatigue. It is well known that patients who are significantly red cell volume depleted may have profound symptoms of weakness. Blood volume measurement has the potential to clearly identify patients with hidden anemia (low red cell volume not detectable by the standard hematocrit or hemoglobin test). Such patients would be expected to benefit from Epogen® or Procrit® therapy.

**ADDITIONAL CONDITIONS WHERE BLOOD VOLUME ABNORMALITIES OCCUR**

"Blood volume derangements are common and are not identified through tilt table testing. Blood volume measurement should be included in syncope diagnosis.”

—Dr. Fetnat Foud-Tarazi, Cleveland Clinic

Daxor 2011 Annual Report

8

Daxor 2011 Annual Report

9
THE SAFEST BLOOD IS ONE’S OWN: FROZEN BLOOD BANKING SERVICES

DURING HOSPITALIZATION, ONE OF THE MOST COMMON MEDICAL PROCEDURES to occur is a blood transfusion. 20% of all transfusions typically result from cardiac surgery. Recent reports indicate a 64% increase in overall blood transfusions, although it is universally recognized that receiving a blood transfusion increases a patient’s risk for additional infections, length of hospital stay, and worse outcomes. Despite improved precautions to keep the blood supply safe, blood transfusions from anonymous donor blood (allogeneic transfusion) still present significant risk for the recipient although it is the most commonly used transfusion practice.

Additional complications associated with allogeneic transfusions occur with refrigerated and aged blood. An article in the New England Journal of Medicine reported that cardiac surgery patients who were given refrigerated blood, especially if it was refrigerated for more than two weeks, experienced significantly increased risks of postoperative complications and reduced survival. Many do not realize that a blood transfusion is a form of organ transplantation. The chances of getting an exact match may exceed 1 in 50,000. However, the use of one’s own blood completely eliminates the risks and complications from infections associated with an allogeneic transfusion.

Idant’s trademarked Blood Optimization Program (BOP™) virtually eliminates the need for allogeneic transfusions. Utilizing ultra-low freezing technology and cryopreservative agents, it is now possible to store one’s own blood for 10 years. This creates a significant opportunity for patients to donate their own blood (autologous donation) prior to surgery. The blood is frozen rather than simply refrigerated, and patients receive their own fresh frozen blood which has been thawed for use during or following surgery. The blood banking industry has been in existence for almost 65 years. The use of frozen rather than refrigerated blood represents a major potential benefit.

With the BOP™, a patient first receives a blood volume measurement to quantify their volume status. If the patient is found to have a low blood volume, he or she can receive medications such as EpoGen® or Procrit® to increase red blood cell production to restore the blood volume to normal. Patients who store blood can be assured that during or after surgery, if there is a need for a transfusion, they will receive back their own blood, free of the complications frequently associated with allogeneic transfusions.

The BOP™ is particularly important for pregnant women. The New York State and New York City Departments of Health issued an urgent bulletin alerting physicians to the unacceptable death rate from hemorrhage in pregnant women because of delayed transfusion. Women who store blood as soon as they discover they are pregnant can have 1-2 units of their own blood available at the time of delivery.

Idant is actually marketing the BOP™ and has received agreements from a number of hospitals in New York State to participate in the BOP™, including the NYU Medical Center, The Hospital for Special Surgery, The Hospital for Joint Diseases, The Stony Brook University Hospital, and the Brookhaven Memorial Hospital Medical Center, among others.

Only by storing blood in a frozen state well in advance of a planned surgery may an individual have a reasonable expectation of receiving his or her own blood if it is needed.
CRYOBANKING

STARTED IN 1971, DAXOR’S IDANT SEMEN BANK SUBSIDIARY is the longest continuously operating semen bank in the United States. In 1985, it was the first semen bank to initiate the quarantine concept for sperm donors in which donor semen was frozen and stored for six months at which time the semen donor was retested for infectious diseases. This is now a standard practice in the industry today, and is essential to eliminate donors who may be infected with HIV or hepatitis, but who test negative in preliminary screening tests.

Idant’s donor screening standards exceed those of New York State regulations, which require only ten tests. Idant instead utilizes 30 basic tests for its anonymous donor program.

Idant’s semen bank offers screened and tested donor semen for use in artificial insemination. Idant also provides semen banking storage services for men undergoing cancer therapy, which may sterilize them. By storing semen prior to chemotherapy, such men will still have the option of fathering their own children in the future. Idant Laboratories was recently selected as a semen banking service provider for cancer patients hospitalized at the Memorial Sloan-Kettering Cancer Center (MSKCC). Idant Laboratories will send a technician to MSKCC to collect in-patient semen samples. These will be immediately brought to Idant Laboratories for processing and long-term storage.

SEMEN STORAGE FOR CLIENTS

Idant Laboratories uses a unique carousel canister system to store semen. The specimens at lower levels can be removed by rotating upper levels out of the way and providing clearance without these stored specimens ever emerging from their frozen state. In this way, individually stored specimens are continuously under liquid nitrogen, minimizing potential damage from exposure. In contrast, almost all other semen banks in the United States use a rack and cane system, which requires withdrawal of hundreds of frozen specimens into the room at ambient temperature in order to retrieve a single specimen from a lower level. Repetitive removal from liquid nitrogen results in a thermal shock effect, which may progressively deteriorate stored semen.

To date, Idant has processed over 600,000 stored specimens without a single reported case of infection from its semen.
LETTER FROM THE PRESIDENT

DEAR SHAREHOLDERS:

IN MARCH 2011, AN ADMINISTRATIVE HEARING WAS HELD REGARDING THE QUESTION OF WHETHER OR NOT DAXOR SHOULD REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940. The hearing was held in New York City with an administrative law judge of the United States Securities and Exchange Commission (“SEC”), presiding. In August of 2011, the Judge announced his decision that Daxor should register as an Investment Company because of the high percentage of our income and assets that are attributable to our investment portfolio.

We disagreed with this decision and had initially decided to appeal to a Federal Court. After reviewing the situation with our Board of Directors and our attorneys, we decided it would be better if we did not appeal the decision but, instead, register as an investment company even though we believe Daxor is primarily an operating company. We will begin reporting as an Investment Company effective January 1, 2012. This will not inhibit our operating activities, but will require additional disclosure about our investments covered the operating losses of the Company even with taking into account the loss from investments in 2011. Without this income, we would have been unable to continue the research and development of the Blood Volume Analyzer which has the potential to substantially change treatment in a number of conditions which are extensively described in this Annual Report.

In the past year there were two very important research studies published utilizing the Daxor BVA-100 Blood Volume Analyzer. One was by Dr. Mihae Yu and was published in Shock in 2011. The study showed that the incorporation of blood volume data that contains information on red blood cell and plasma volume may lead to a more physiologic end point of fluid and red blood cell resuscitation. The study showed that the use of directly measured blood volume data to guide therapy in the SICU patients produced improved outcomes relative to those obtained with conventional central markers.

Another study was by Dr. Martin Schreiber, et al., published in The Journal of Trauma, also in 2011. This study showed that 39% of the patients with excess blood volume were dead at the end of one year. At the end of two years, 55% were dead, while all of the patients with normal blood volume were still alive. —Androne AS, Hryniewicz K, Hustadhe A et al. Relation of Unrecognized Hypervolemia in Chronic Heart Failure to Clinical Status, Hemodynamics, and Patient Outcomes. Am J Cardiol 2004; 93:1254-1259.

The Company has been fortunate that for the five year period ended December 31, 2011, income from investments covered the operating losses of the Company. Without this income, we would have been unable to continue the research and development of the Blood Volume Analyzer which has the potential to substantially change treatment in a number of conditions which are extensively described in this Annual Report.

That study showed that use of blood volume analysis in critically ill patients may help to distinguish true anemia from hemodilution, potentially preventing unnecessary interventions. This study again confirmed that physicians, in treating ICU patients, need a blood volume measurement for an accurate assessment of a patient’s blood volume. The standard tests used by physicians to judge whether a patient should receive a transfusion is the hematocrit test. Dr. Schreiber’s study clearly demonstrated that this test, more than 100 years old, may result in some patients receiving a transfusion who don’t need one and other patients who need a transfusion, being denied a transfusion. The Blood volume Analyzer provides a measurement of the normalized hematocrit which provides a true picture of the patient’s hematocrit. The normalized hematocrit, which is obtained by measuring the patient’s actual blood volume, eliminates the errors associated with measuring a peripheral hematocrit, which only measures the concentration of red cells, not the actual volume of red cells. We also have been funding a congestive heart failure study, with Dr. Stuart Katz of NYU Medical Center as the principal investigator.

One of the problems is that a significant number of cardiologists still do not routinely perform blood volume measurement in treating their patients. It is my personal belief that treating a heart failure patient for blood volume derangement is fundamental to understanding the pathology and symptoms. Treating such patients without a blood volume analysis is analogous to treating a patient with a fractured arm or leg without taking an X-ray, but just feeling the bones.

Despite the powerful evidence that physicians using standard clinical examinations and laboratory tests cannot judge a patient’s blood volume, they continue to guesstimate in life threatening situations what a patient’s blood volume is. We emphasize the term “life threatening” because situations where blood volumes should be used involve situations where a wrong guess about a patient’s blood volume may be the difference between a patient surviving and not surviving.

In our 2011 Annual Report filed on Form 10-K, we have discussed hyponatremia, a relatively common condition caused by different medical problems. Hyponatremia, or low blood sodium concentration, is easily detectable by measuring the sodium concentration in the blood. The condition occurs in congestive heart failure patients and in patients who...
LETTER FROM THE PRESIDENT

(CONTINUED)

have received an excessive amount of intravenous fluids, as well as patients who become dehydrated, and in patients who have incurred head trauma.

Low sodium concentration is potentially a life threatening condition. It decreases the ability of muscles to contract, including cardiac muscle; it causes mental derangements and may predispose to cardiac arrhythmias.

The pharmaceutical manufacturer of the medication used to treat this problem has multiple warnings in its literature about not using the product in patients who have low blood volume. Despite this warning, and clear evidence that physicians cannot differentiate a patient with low blood volume from a patient with expanded blood volume without actually measuring the blood volume, patients with this life threatening condition are routinely treated on the basis of a guess estimate with a drug that may actually make their condition much worse.

We continue to make progress in the development of our manufacturing facilities in Oak Ridge, Tennessee where we plan to manufacture the complete radionuclide injection system. We will be applying to the FDA for approval to manufacture our own injectate. We also plan to continue utilizing the independent manufacturer for production of some of the Volumex injectate. This will provide the company greater flexibility in the event there is a problem at one facility, as well as cost savings associated with manufacturing our own product.

We have repeatedly made the point that any patient admitted to an intensive care unit, any patient who has had major surgery, any patient who is considering undergoing elective major surgery should have a blood volume measurement. Any person who is under consideration for a transfusion or who requires a transfusion should have a blood volume measurement. It has been very difficult to persuade hospitals who have extremely cost-conscious administrators to implement blood volume measurement as a basic tool.

There are many studies which have documented the inaccuracy of estimating blood volumes. Recently the Imperial NIHR Biomedical Research Centre released the following important facts about blood volume measurements:

• Assessing the exact levels of fluid in the circulatory system, or ‘volume status,’ is extremely difficult but doctors need this information in order to work out the most effective way to treat a patient and determine whether they need to be given extra fluids or diuretics.

• At Imperial College Healthcare NHS Trust, about 46 per cent of emergency patients have an urgent need for their volume status to be assessed, and these patients are among the most at risk of death.

• Clinical volume assessment is notoriously unreliable, and technology that measures volume status reliability and non-invasively is only available as part of complicated echocardiography devices that require specialist training to use. As such, less than one per cent of doctor can use them for simple volume assessment.

We will be contacting the British agency, which seems to be unaware of the BVA-100 Blood Volume Analyzer.

We plan to be more outspoken with respect to informing the public about the benefits of having a blood volume measurement performed in appropriate situations.

Due to the fact that we have a limited number of shareholders, Management and the Board of Directors considered the option of taking the company private. There are many companies who take this course of action in order to avoid SEC scrutiny and the significant extra expenses associated with being a public company. I have always felt this is would be disadvantageous to shareholders because it would reduce the liquidity of their shares. Accordingly, we have decided to remain a public company.

The year ended December 31, 2011 was the first year since 1991 that the Company sustained a loss from its investment activities. Even in the extremely difficult environment from 2007 to 2010 our investments had significant profits which more than covered our losses from operations. We hope our investments will be profitable in 2012. Because of our losses in 2011, we will be claiming a refund where we file our tax returns for the year. We expect to receive approximately $2 million in refunds for income taxes paid for the year ended December 31, 2009.

Sincerely yours,

Joseph Feldschuh, M.D.
President

December 31, 2009.

We expect to receive approximately $2 million in refunds for income taxes paid for the year ended December 31, 2011.
Publications in Peer Review Journals Utilizing the BVA-100 Blood Volume Analyzer

**SINCE 2002, THE FOLLOWING ORIGINAL RESEARCH ARTICLES HAVE BEEN PUBLISHED, WHICH REPORT RESEARCH FINDINGS OBTAINED USING THE BVA-100:**


**TWO BOOK CHAPTERS HAVE ALSO BEEN PUBLISHED WHICH DESCRIBE BLOOD VOLUME MEASUREMENT USING THE BVA-100 IN VARIOUS CLINICAL CONDITIONS:**


**List of Daxor-Sponsored Research Presentations Published as Abstracts**

*IN ADDITION, THE FOLLOWING 23 PRESENTATIONS OF DAXOR-Sponsored RESEARCH HAVE BEEN MADE AT MAJOR MEDICAL CONFERENCES SINCE 2006. SOME OF THESE FINDINGS HAVE ALSO BEEN PUBLISHED, EITHER AS ABSTRACTS OR AS COMPLETE ARTICLES. WE ANTICIPATE THAT ADDITIONAL STUDIES FROM THIS LIST WILL ALSO BE PUBLISHED IN THE NEAR FUTURE:* 

1. 2006 Heart Failure Society of America Poster Presentation - Columbia Presbyterian College of Surgeons and Physicians, New York, NY -The Administration of Subcutaneous Erythropoietin in Elderly Patients with Heart Failure and Normal Ejection Fraction Over Three Months is Safe and Effective

2. 2007 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Do Blood Volume and Brain Natriuretic Peptide (BNP) Correlate?

3. 2007 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Does Hematocrit Reflect Red Cell Volume when Adjusted for Plasma Volume?

4. 2007 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Does Hematocrit Reflect Red Cell Volume when Adjusted for Plasma Volume?

5. 2008 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Right Ventricular End Diastolic Volume (RVEDV) and Brain Natriuretic Peptide (BNP) May Not Reflect Volume Status in the Critically Ill Patient.

6. 2008 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Stroke Volume Variation as a Marker of Intravascular Volume Compared to Blood Volume Measurement

---

**List of Daxor-Sponsored Research Presentations Published as Abstracts**

*IN ADDITION, THE FOLLOWING 23 PRESENTATIONS OF DAXOR-Sponsored RESEARCH HAVE BEEN MADE AT MAJOR MEDICAL CONFERENCES SINCE 2006. SOME OF THESE FINDINGS HAVE ALSO BEEN PUBLISHED, EITHER AS ABSTRACTS OR AS COMPLETE ARTICLES. WE ANTICIPATE THAT ADDITIONAL STUDIES FROM THIS LIST WILL ALSO BE PUBLISHED IN THE NEAR FUTURE:* 

1. 2006 Heart Failure Society of America Poster Presentation - Columbia Presbyterian College of Surgeons and Physicians, New York, NY -The Administration of Subcutaneous Erythropoietin in Elderly Patients with Heart Failure and Normal Ejection Fraction Over Three Months is Safe and Effective

2. 2007 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Do Blood Volume and Brain Natriuretic Peptide (BNP) Correlate?

3. 2007 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Does Hematocrit Reflect Red Cell Volume when Adjusted for Plasma Volume?

4. 2007 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Does Hematocrit Reflect Red Cell Volume when Adjusted for Plasma Volume?

5. 2008 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Right Ventricular End Diastolic Volume (RVEDV) and Brain Natriuretic Peptide (BNP) May Not Reflect Volume Status in the Critically Ill Patient.

6. 2008 Society of Critical Care Medicine Poster Presentation - The Queen's Medical Center, Honolulu, HI – Stroke Volume Variation as a Marker of Intravascular Volume Compared to Blood Volume Measurement
List of Daxor-Sponsored Research Presentations Published as Abstracts (CONTINUED)

7. 2008 American Society of Nephrology Poster Presentation – NYU School of Medicine, New York, NY and Christiana Care Health System, Newark, DE – Accuracy of Anemia Evaluation is Improved in Acutely and Chronically Ill Patients by Accounting for Volume Status

8. 2009 National Kidney Foundation Poster Presentation – NYU School of Medicine, New York, NY and Christiana Care Health System, Newark, DE – Peripheral Blood Hematocrit is a Poor Surrogate for Red Blood Cell Volume in Patients with Volume Excess or Depletion

9. 2008 American Society of Nephrology Poster Presentation – NYU School of Medicine, New York, NY and Christiana Care Health System, Newark, DE – Elevated Transcapillary Albumin Escape: A Marker of Endothelial Dysfunction

10. 2008 Western Trauma Association Annual Meeting Oral Presentation – Oregon Health & Science University, Portland, OR – True Anemia from Hemodilution in Critically Ill Trauma Patients

11. 2008 Society of Cardiovascular Anesthesiologists Poster Presentation – The Virginia Commonwealth University, Richmond, VA – Red Cell Mass is Not Well Conserved Following Elective Cardiac Surgery Despite Use of Cell Salvage and Transfusion Guided by Peripheral Hematocrit

12. 2008 American Society of Nephrology Poster Presentation – The Queen’s Medical Center, Honolulu, HI – A Comparative Study of Systolic Pressure Variation and Blood Volume Measurement

13. 2008 American Society of Nephrology Poster Presentation – The Virginia Commonwealth University, Richmond, VA – Patients are Not Normovolemic Following Cardiac Surgery Despite Concerted Efforts to Manage Fluid and Volume Status

14. 2008 American Society of Nephrology Poster Presentation – The Queen’s Medical Center, Honolulu, HI – A Prospective Randomized Trial Using Blood Volume Assessment of Red Blood Cell Volume

15. 2008 Society of Critical Care Medicine Poster Presentation – The Queen’s Medical Center, Honolulu, HI – A Comparison of Pulse Pressure Variation and Blood Volume Measurement

16. 2010 Western Trauma Association Annual Meeting Oral Presentation – Oregon Health and Science University, Portland, OR – Blood Volume Analysis can Distinguish True Anemia from Hemodilution in Critically Ill Patients

17. 2010 Society of Cardiovascular Anesthesiologists Poster Presentation – The Virginia Commonwealth University, Richmond, VA – A Prospective Randomized Trial Using Blood Volume Measurement Offers Enhanced Accuracy Over Peripheral Hematocrit in Assessment of Red Blood Cell Volume

18. 2010 Society of Cardiovascular Anesthesiologists Poster Presentation – The Virginia Commonwealth University, Richmond, VA – Patients are Not Normovolemic Following Cardiac Surgery Despite Concerted Efforts to Manage Fluid and Volume Status

19. 2010 Heart Failure Society of America Poster Presentation – Columbia-Presbyterian Medical Center, New York City, NY – Racial Differences in Blood Volumes in Patients with Heart Failure and a Preserved Ejection Fraction (HFPEF): Implications for Diagnosing Anemia

20. 2010 Heart Failure Society of America Poster Presentation – The Valley Hospital, Ridgewood, NJ – Lack of Correlation Between I-131-Labeled Albumin Measurements of Blood Volume and Serum R-Natriuretic Peptide Levels in Heart Failure Patients

21. 2010 Society of Critical Care Medicine Poster Presentation – The Queen’s Medical Center, Honolulu, HI – Elevated Transcapillary Albumin Escape: A Marker of Increased Mortality

22. 2010 Society of Critical Care Medicine Poster Presentation – The Queen’s Medical Center, Honolulu, HI – Elevated Transcapillary Albumin Escape: A Marker of Increased Mortality

23. 2010 Annual Meeting of the Western Trauma Association – Oregon Health & Science University, Portland, OR – Blood Volume Analysis Can Distinguish True Anemia From Hemodilution in Critically Ill Patients

Common Stock

The common stock is traded on the NYSE Amex Equities Exchange under the symbol DXR.

**2011**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
<td>$10.51</td>
<td>$8.91</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$11.06</td>
<td>$9.69</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$10.59</td>
<td>$9.65</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$10.94</td>
<td>$9.08</td>
</tr>
</tbody>
</table>

**2010**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
<td>$12.84</td>
<td>$10.98</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$12.25</td>
<td>$9.87</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$10.32</td>
<td>$9.27</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$10.96</td>
<td>$8.75</td>
</tr>
</tbody>
</table>

Report of Independent Registered Public Accounting Firm

We have audited the accompanying consolidated balance sheets of Daxor Corporation and subsidiary (the “Company”) as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders’ equity and comprehensive income (loss), and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting.

Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Daxor Corporation and subsidiary as of December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Rothenberg Merit Solomon Bertain & Guttilia, P.C.
Saddle Brook, NJ
March 28, 2012

TO THE STOCKHOLDERS AND BOARD OF DIRECTORS OF DAXOR CORPORATION:

We have audited the accompanying consolidated balance sheets of Daxor Corporation and subsidiary (the “Company”) as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders’ equity and comprehensive income (loss), and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting.

Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Daxor Corporation and subsidiary as of December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Rothenberg Merit Solomon Bertain & Guttilia, P.C.
Saddle Brook, NJ
March 28, 2012
The following table sets forth certain selected financial data with respect to the Company. The consolidated statements of operations data for the years ended December 31, 2011, 2010, 2009, 2008 and 2007 are derived from our audited consolidated financial statements that are included in this Form 10-K.

### OPERATIONS DATA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Revenues</td>
<td>$1,446,345</td>
<td>$1,579,257</td>
<td>$1,688,826</td>
<td>$1,761,055</td>
<td>$1,869,779</td>
</tr>
</tbody>
</table>

**COSTS AND EXPENSES:**

| Operations of Laboratories & costs of production | 652,511 | 727,650 | 704,866 | 717,278 | 682,786 |
| Research and development                          | 2,705,952 | 3,041,640 | 2,825,151 | 2,438,423 | 2,576,708 |
| Selling, general and administrative               | 3,874,296 | 3,469,078 | 3,267,997 | 3,812,506 | 4,041,155 |
| Total costs and expenses                          | 7,232,759 | 7,238,368 | 6,798,014 | 6,968,207 | 7,300,649 |
| Loss from operations                              | (5,786,414) | (5,659,111) | (5,109,188) | (5,207,152) | (5,430,870) |

**OTHER INCOME AND EXPENSES:**

| Dividend income                                   | 2,237,734 | 2,226,198 | 2,936,976 | 2,509,966 | 2,419,476 |
| Gains on sale of investments                      | 33,389 | 13,509,318 | 10,911,200 | 17,249,716 | 14,853,934 |
| Mark to market of short positions                 | (8,501,859) | (1,301,530) | (357,337) | (55,538) |
| Other revenues                                    | 12,374 | 12,166 | 11,924 | 11,112 |
| Admin expense relating to portfolio investments   | (153,816) | (150,675) | (99,935) | (55,538) |
| Interest expense, net of interest income         | (168,923) | (61,676) | (56,283) | (47,503) | (197,211) |
| Total other (expenses) and income                 | (6,541,301) | 14,009,267 | 12,261,060 | 24,888,385 | 17,389,110 |

**SELECTED BALANCE SHEET DATA**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$85,724,861</td>
<td>$75,824,181</td>
<td>$76,824,181</td>
<td>$65,824,181</td>
<td>$102,560,500</td>
</tr>
<tr>
<td>Total liabilities*</td>
<td>$49,508,270</td>
<td>$27,561,653</td>
<td>$33,363,540</td>
<td>$47,644,615</td>
<td></td>
</tr>
<tr>
<td>Stockholders' equity</td>
<td>$36,216,591</td>
<td>$46,995,044</td>
<td>$43,460,641</td>
<td>$54,915,885</td>
<td></td>
</tr>
</tbody>
</table>

*Total liabilities include deferred taxes on unrealized gains.
## Financial Statements: Consolidated Balance Sheets

### Assets

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>December 31, 2011</th>
<th>December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$59,625</td>
<td>$57,741</td>
</tr>
<tr>
<td>Receivable from broker</td>
<td>23,078,775</td>
<td>32,382,439</td>
</tr>
<tr>
<td>Available-for-sale securities, at fair value</td>
<td>55,804,364</td>
<td>53,876,071</td>
</tr>
<tr>
<td>Accounts receivable, net of reserve of $130,402 in 2011 and $125,402 in 2010</td>
<td>301,534</td>
<td>363,634</td>
</tr>
<tr>
<td>Income tax refund receivable</td>
<td>2,073,031</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>209,339</td>
<td>130,560</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>81,686,352</strong></td>
<td><strong>86,989,265</strong></td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>4,001,351</td>
<td>4,568,992</td>
</tr>
<tr>
<td>Other assets</td>
<td>37,158</td>
<td>37,158</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$85,724,861</strong></td>
<td><strong>$91,195,415</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Stockholders' Equity

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$525,168</td>
<td>$436,542</td>
</tr>
<tr>
<td>Loans payable</td>
<td>13,751,008</td>
<td>4,638,197</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>87,093</td>
<td>2,986,800</td>
</tr>
<tr>
<td>Mortgage payable, current portion</td>
<td>58,054</td>
<td>46,798</td>
</tr>
<tr>
<td>Puts and calls, at fair value</td>
<td>7,103,448</td>
<td>4,330,069</td>
</tr>
<tr>
<td>Securities borrowed, at fair value</td>
<td>23,136,820</td>
<td>22,406,036</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>38,671</td>
<td>51,920</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>4,664,054</td>
<td>9,003,946</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>49,264,316</strong></td>
<td><strong>43,900,308</strong></td>
</tr>
<tr>
<td>Mortgage payable, less current portion</td>
<td>243,954</td>
<td>300,063</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>49,508,270</strong></td>
<td><strong>44,200,371</strong></td>
</tr>
</tbody>
</table>

### Commitments and Contingencies

<table>
<thead>
<tr>
<th>Stockholders' Equity</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock, $.01 par value Authorized 10,000,000 shares Issued-5,316,530 shares outstanding</td>
<td>53,165</td>
<td>53,165</td>
</tr>
<tr>
<td>Additional paid in capital</td>
<td>10,684,752</td>
<td>10,675,228</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>12,572,514</td>
<td>14,890,272</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>24,740,252</td>
<td>32,980,341</td>
</tr>
<tr>
<td>Less: cost of common stock held in Treasury, at cost, 1,114,179 shares in 2011 and 1,090,413 in 2010</td>
<td>(11,834,092)</td>
<td>(11,603,962)</td>
</tr>
<tr>
<td><strong>Total Stockholders' Equity</strong></td>
<td><strong>36,216,591</strong></td>
<td><strong>46,955,044</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Stockholders' Equity</strong></td>
<td><strong>$85,724,861</strong></td>
<td><strong>$91,195,415</strong></td>
</tr>
</tbody>
</table>

See Accompanying Notes To Consolidated Financial Statements.
Comparison of Five Year Cumulative Total Return*

Daxor Corporation, Standard & Poors 500 and Value Line Medical Supplies Index (Performance Results through 12/31/11)

Assumes $100 Invested at the Close of Trading 12/06 in Daxor Corporation Common Stock, Standard & Poors 500, and Medical Supplies.

*Cumulative Total Return Assumes Reinvestment of Dividends.

Factual material is obtained from sources believed to be reliable, but the publisher is not responsible for any errors or omissions contained therein.

Source: Value Line Publishing, Inc.

Statements of Stockholders' Equity & Comprehensive Income (Loss)

<table>
<thead>
<tr>
<th>Common Stock</th>
<th>Number of Shares Outstanding</th>
<th>Additional Paid-in Capital</th>
<th>Accumulated Other Comprehensive Income</th>
<th>Retained Earnings</th>
<th>Treasury Stock Total</th>
<th>Comprehensive Income (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in unrealized gain on securities, net of $606,363 deferred taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>4,968,264</td>
<td></td>
<td>4,968,264</td>
<td></td>
<td>4,968,264</td>
<td></td>
</tr>
<tr>
<td>Common Stock Dividends</td>
<td>(4,229,520)</td>
<td></td>
<td>(4,229,520)</td>
<td></td>
<td>(4,229,520)</td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td>(24,181)</td>
<td></td>
<td>(24,181)</td>
<td></td>
<td>(24,181)</td>
<td></td>
</tr>
<tr>
<td>Comprehensive Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Balances December 31, 2010 | 4,226,137 | $53,165 | $10,675,228 | $14,890,272 | $32,980,341 | $(11,603,962) | $46,995,044 |
| Change in unrealized gain on securities, net of $1,249,624 deferred taxes | | | | | | | |
| Option Based Compensation Expense | 9,731 | | 9,731 | | 9,731 | | |
| Net loss | (7,185,639) | | (7,185,639) | | (7,185,639) | | |
| Common Stock Dividends | (1,054,450) | | (1,054,450) | | (1,054,450) | | |
| Purchase of treasury stock | (23,786) | | (23,786) | | (23,307) | | |
| Comprehensive Loss | | | | | | | $(9,503,397) |

Daxor Medical Advisory Board

PHILIP FROST, M.D., CHAIRMAN, former President of the IVAX Corporation. Dr. Frost is a distinguished scientist who played a key role in the development of skin patch administration of medications and is a highly successful businessman.

ROBERT ROSENTHAL, M.D. was the Chief of Hematology, Blood Bank Director, and attending physician at North General Hospital in New York City for 41 years. He was an Associate Clinical Professor of Medicine, Mt. Sinai School of Medicine, and is the discoverer of Clotting Factor 11.

DONALD MARGOULEFF, M.D. was formerly head of Nuclear Medicine at North Shore University Hospital. He is currently Director of Nuclear Medicine at Daxor Corporation.

ROCHELLE HIRSCHHORN, M.D. is a clinical biochemical geneticist at New York University Medical Center.

DAXOR OAK RIDGE OPERATIONS (DORO)
Oak Ridge, TN

Pictured is 109 Meco Lane, a 10,000 sq. ft. facility used for manufacturing the Daxor BVA-100 Blood Volume Analyzer. An adjacent building, 107 Meco Lane, also 10,000 sq. ft., is being used for research & development and warehousing purposes. These buildings were acquired in January, 2007.

Oak Ridge, Tennessee is the site of U.S. government operations involving radioisotope material and has a highly experienced work force in this area. Daxor’s radioisotope, Volumex®, involves very low radioactive exposure and no special shielding is required at the present time within these buildings. Albumin I131 is the medical isotope used for blood volume measurement and is shipped to hospitals via Federal Express. The dose requires no special shielding because of the extremely low concentration of isotope involved. The level of radioactivity in the doses is at such a low level that Daxor is able to ship these single-unit doses in an unlined cardboard box.

A copy of Daxor’s 2011 10-K is available on our website www.daxor.com or by request.