



(NYSE Amex: DXR) Daxor Corporation Announces Second Quarter 2009 Earnings and Discusses Implications of Proposed Obama Administration Medicare Heart Failure Reimbursement Policies

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	Three Months Ended June 30		Six Months Ended June 30	
	2009	2008	2009	2008
Total Operating Revenues	\$ 380,420	\$ 556,587	\$ 814,457	\$ 977,550
Total Costs & Expenses	\$ <u>1,726,526</u>	\$ <u>1,780,838</u>	\$ <u>3,275,059</u>	\$ <u>3,470,552</u>
Net Loss from Operations	\$ (1,346,106)	\$ (1,224,251)	\$ (2,460,602)	\$ (2,493,052)
Total Other Income	\$ <u>7,970,995</u>	\$ <u>3,129,093</u>	\$ <u>7,666,980</u>	\$ <u>11,718,902</u>
Net Income before Taxes	\$ 6,624,889	\$ 1,904,842	\$ 5,206,378	\$ 9,225,850
Income Tax Expense	\$ <u>386,193</u>	\$ <u>400,000</u>	\$ <u>510,967</u>	\$ <u>400,000</u>
Net Income	\$ <u>6,238,696</u>	\$ <u>1,504,842</u>	\$ <u>4,695,411</u>	\$ <u>8,825,850</u>
Weighted Average Number of Shares Outstanding (Basic)	4,263,918	4,361,918	4,274,801	4,391,718
Earnings Per Share (Basic)	\$ 1.46	\$ 0.35	\$ 1.10	\$ 2.01
Weighted Average Number of Shares Outstanding (Diluted)	4,285,918	4,383,918	4,296,801	4,416,718
Earnings Per Share (Diluted)	\$ 1.46	\$ 0.34	\$ 1.09	\$ 2.00

NEW YORK, NY – Daxor Corporation (NYSE Amex: DXR), a medical instrumentation and biotechnology company, today announced second quarter earnings for 2009. The Company had net income of \$1.46 per share for the current quarter versus net income of \$0.35 per share for the same period in 2008. The realized gains on sales of securities and dividend income totaled \$1,080,448 for the current quarter versus \$3,196,191 for the same period in 2008.

The Company had net income of \$1.10 per share for the six months ended June 30, 2009 versus net income of \$2.01 for the same period in 2008. The realized gains on sales of securities and dividend income totaled \$7,137,986 for the current six month period versus \$9,657,972 for the same period in 2008.

For the three months ended June 30, 2009 total operating revenues decreased to \$380,420 from \$556,587 for the same period in 2008, a decrease of \$176,167 or 31.7%. This is directly attributable to no Blood Volume Analyzers being sold during the current quarter versus three during the same period last year for a total of \$195,000. Total costs and operating expenses decreased for the current three month period by \$54,312 or 3.0% to \$1,726,526 versus \$1,780,838 for the same period in 2008 mainly due to a decrease in payroll and related expenses of \$43,020.

For the six months ended June 30, 2009 total operating revenues decreased to \$814,457 from \$977,500 for the same period in 2008, a decrease of \$163,043 or 16.7%. This is directly attributable to no Blood Volume Analyzers being sold during the current six month period versus three during the same period last year for a total of \$195,000. Total costs and operating expenses decreased for the current six month period by \$195,493 or 5.6% to \$3,275,059 versus \$3,470,552 for the same period in 2008 mainly due to a decrease in payroll and related expenses of \$149,532.

At June 30, 2009, the Company had total assets of \$74,918,883 with total stockholders' equity of \$45,104,649 versus total assets of \$76,824,181 and \$43,460,641 of stockholders' equity at December 31, 2008. In the first six months of 2009, the company had significant income from investments which completely offset the operating losses.

For more detailed information on our financial results, please refer to our Form 10-Q for the quarter ended June 30, 2009 which will be filed later today.

The company is maintaining its efforts associated with research and development as part of the ongoing effort to develop products that are complementary to its current product line. There were 56 Blood Volume Analyzers placed in medical facilities as of June 30, 2009 versus 52 instruments as of June 30, 2008.

In 2008, the Company instituted a policy of paying dividends when funds were available. For the Year Ended December 31, 2008, the Company paid a total dividend of \$1.50 per share as follows: \$0.25 per share on August 26th and November 26th and a special dividend of \$1.00 per share on December 30, 2008.

The goal of Management is to continue a similar policy for 2009 and pay dividends when funds are available.

In keeping with this policy, The Company paid a dividend of \$0.10 per share on June 15, 2009 to shareholders of record on May 29, 2009.

The Board of Directors authorized the continuation of the common share buyback program of up to 250,000 shares per year.

In a July 28, 2009 article in the Wall Street Journal, entitled "Cutting Repeat Hospital Trips- Simple Idea, Hard to Pull Off," the authors point out that "The Federal Government spends \$12 billion per year on 'potentially preventable' readmissions for Medicare patients, according to the Medicare Payment Advisory Commission, an independent congressional agency." As part of the current effort to overhaul the American Healthcare System, government leaders are looking at reducing these types of costs. Even though private insurers also pay for readmissions, they are quite common amongst elderly patients covered by Medicare.

The article describes how at the Berkshire Medical Center, which is located in Pittsfield, Massachusetts, nurses monitoring heart failure patients measured the circumference of patients' calves as a way of monitoring fluid buildup. In 2004, a study from Columbia Presbyterian (published in the "American Journal of Cardiology" 2004; 93:1254-1259) demonstrated that experienced cardiologists using clinical signs such as neck vein distention in heart failure patients were correct only 51% of the time in judging whether patients had too much blood, the normal amount of blood, or too little blood. This study followed patients for two years. At the end of year one, 39% of the congestive heart failure patients who had an excess of blood were dead while all of the patients with normal blood volume were still alive. At the end of two years, when the study was completed, 55% of the patients with excessive blood volume were dead while all of the patients with normal blood volume were still alive.

Increased fluid and blood volume buildup is a basic problem in congestive heart failure patients. However, excessive or inappropriate use of diuretics (medications which cause the kidneys to excrete salt and water) may also cause kidney damage. This occurs because the kidneys may not receive adequate blood. This common complication resulting from overdiuresis can be avoided by the use of blood volume measurement.

The Centers for Medicare and Medicaid Services (CMS) reduced reimbursement for blood volume measurement as of January 1, 2008 which has significantly impacted the utilization of blood volume measurement in managing heart failure patients. The cost of performing a blood volume measurement is in the range of \$400 - \$450 as compared to the \$3,000 - \$15,000 that a hospital may be penalized if they are not reimbursed for a congestive heart failure readmission.

If the Obama administration changes Medicare policy to penalize hospitals for readmission of heart failure patients because they have not been optimally managed before discharge, causing readmission, this may prove to be a very powerful financial incentive for hospitals to begin implementing blood volume measurement as a standard of care in managing heart failure patients.