Omnicare 2Q net income falls, shares drop

The Associated Press

Omnicare Inc. said Thursday its net income fell 60 percent in the second quarter on lower pharmacy services revenue.

The company, which dispenses drugs to nursing homes and long-term care facilities, also cut its outlook for the year, helping to send its shares down 11 percent in morning trading to $22.57, a decrease of $2.69 per share.

Omincare earned $11.6 million, or 10 cents per share, down from $28.7 million, or 25 cents per share, during the same period a year earlier. Revenue fell 1 percent to $1.52 billion from $1.54 billion.

Excluding restructuring and other charges, the company said it earned 48 cents per share. Analysts polled by Thomson Reuters expected net income of 62 cents per share on $1.53 billion in revenue.

Omnicare said its pharmacy services revenue fell a half-percent to $1.49 billion from $1.5 billion. The decline came as the company saw a 3.8 percent decline in dispensing prescriptions.

Revenue from Omnicare's clinical research business fell 33 percent to $27.4 million from $40.8 million.

Looking ahead, the company cut its full-year outlook for adjusted earnings to between $2.00 and $2.10 per share instead of between $2.60 and $2.70 per share. Analysts expect $2.65 per share.

"While we are disappointed to be lowering our full-year 2010 guidance, we are looking at a variety of strategies to restore profitable top-line growth," said interim President and CEO James D. Shelton, in a statement.

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