

Gen-Probe 4Q profit rises 13 percent

The Associated Press

Diagnostic test maker Gen-Probe Inc. said Wednesday its profit grew 13 percent in the fourth quarter as its gross margins improved and costs decreased, offsetting lower revenue.

The company also said that it approved the repurchase of up to \$150 million in stock over the next year. The company completed a \$100 million stock buyback during the fourth quarter, and had 48 million shares on the market as of Dec. 31.

Gen-Probe said its net income rose to \$27.2 million, or 56 cents per share, for the three months ended Dec. 31 from \$24 million, or 48 cents per share, a year ago. Excluding one-time items, the company said it earned 61 cents per share.

Revenue fell 2 percent to \$136.7 million from \$138.9 million.

Analysts expected a profit of 56 cents per share and \$137.6 million in revenue, according to FactSet.

Its shares fell 94 cents, or 1.5 percent, to \$61.80 in morning trading.

Gen-Probe said its profit margins improved because it sold fewer low-margin instruments and greater amounts of more profitable products. Expense from clinical trials also decreased. The company said the weak economy and mild flu season hurt its revenue, and sales of research and blood screening products also decreased. Its acquisition of GTI Diagnostics provided a boost to sales, and Gen-Probe reported greater sales of its Aptima Combo test for chlamydia and gonorrhea.

Total product sales slipped 3 percent to \$131.1 million, the company said. Revenue from collaborations and royalties and licenses edged higher.

For the year, Gen-Probe said its net income grew 17 percent to \$106.9 million, or \$2.18 per share, from \$91.8 million, or \$1.79 per share, in 2009. Its revenue increased 9 percent to \$543.3 million from \$498.3 million.

The company said it expects an adjusted profit of \$2.28 to \$2.40 per share in 2011, on \$570 million to \$595 million in revenue. Analysts are forecasting a profit of \$2.33 per share and \$586.1 million in revenue on average.

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