Select Medical 4Q profit slides 30 pct

The Associated Press

Select Medical Holdings Corp. said its fourth-quarter profit dropped 30 percent due to the acquisition of Regency Hospital Co. and higher expenses.

The Mechanicsburg, Pa., company said Thursday after markets closed that it earned $20.9 million, or 13 cents per share, in the three months that ended Dec. 31. That compares to earnings of $29.9 million, or 19 cents per share, in the final quarter of 2009.

Revenue climbed 11 percent to $637.3 million.

Analysts surveyed by FactSet expected, on average, earnings of 14 cents per share on $643.7 million in revenue.

Select Medical said it took a one-time charge of about $12.8 million tied to the Regency deal. The company announced in September that it closed the acquisition of the long-term, acute care hospital operator for $210 million.

General general and administrative expenses also climbed 67 percent in the quarter to $20.3 million compared to last year's quarter. Its cost of services rose 16 percent to $541 million.

For the full year, Select Medical reported earnings of $77.6 million, or 48 cents per share, on $2.39 billion in revenue.

At the end of the year, Select operated 111 long-term, acute care hospitals and seven acute medical rehabilitation hospitals in 28 states. It also ran 944 outpatient rehabilitation clinics.

Select Medical shares fell 6 cents to $7.60 in afternoon trading.

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