



A Symbol of Excellence

July 30, 2014

## ICON Reports Second Quarter 2014 and Increases Earnings Guidance

### Highlights - Second Quarter Fiscal 2014

- Quarter 2 net revenue increased 12.5% year on year to \$376 million.
- Income from operations was \$48.3 million or 12.8% of revenue.
- Earnings per share were 64 cents.
- Gross business wins were \$521 million, representing a gross book to bill of 1.38. Net business wins were \$458 million, representing a net book to bill of 1.22.
- Earnings guidance increased from a range of \$2.30 - \$2.40 to a range of \$2.62 - \$2.68 and revenue guidance narrowed to a range of \$1,490 million - \$1,530 million.

DUBLIN--(BUSINESS WIRE)-- [ICON plc](#), (NASDAQ:ICLR), a global provider of outsourced development services to the pharmaceutical, biotechnology and medical device industries, today reported its financial results for the second quarter ended June 30, 2014.

For the second quarter, net revenue grew 12.5% year on year to \$376 million from \$334.2 million in Q2 2013.

Income from operations, excluding restructuring and other items, was \$48.3 million or 12.8% of revenue, compared to \$30.9 million or 9.3% for the same quarter last year.

Net income, excluding restructuring and other items, was \$40.8 million or 64 cents per share on a diluted basis, compared with \$26.5 million or 43 cents per share for the same quarter last year.

Revenue in the first half of 2014 increased 11.5% to \$726 million from \$651 million in 2013.

Income from operations in the first half of 2014, excluding restructuring charges, was \$91.3 million or 12.6% of revenue, compared with \$58.3 million or 9% of revenue in the previous year.

Net income in the first half of 2014, excluding restructuring charges, was \$77 million or \$1.22 per share on a diluted basis, compared with \$48.7 million or 79 cents per diluted share last year.

Guidance for the full year 2014 has been updated with EPS guidance increased from a range of \$2.30 - \$2.40 to a range of \$2.62 - \$2.68 and revenue narrowed to a range of \$1.490 billion - \$1.530 billion.

Days sales outstanding, comprising accounts receivable and unbilled revenue less payments on account, were 40 days at June 30, 2014, compared with 35 days at the end of March 2014.

For the quarter ended June 30, 2014, cash used in operating activities was \$54.9 million and capital expenditure was \$6.8 million. In addition during the quarter the acquisition of Aptiv Solutions was completed for an initial cash consideration of \$143.5m. The company's net cash amounted to \$175 million at June 30, 2014, compared to net cash of \$364 million at March 31, 2014.

CEO Ciaran Murray commented, *"We continue to make progress in line with our strategic plan delivering \$458 million of new business in the quarter, representing a book to bill of 1.22. In Quarter 2 revenues grew 12.5% over 2013 and operating margins expanded to 12.8%. Consequently we are increasing our full year EPS guidance from a range of \$2.30 - \$2.40 to a range of \$2.62 - \$2.68 and narrowing our revenue guidance to a range of \$1.490 billion - \$1.530 billion."*

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this press release contains certain non-GAAP financial measures, including non-GAAP operating and net income and non-GAAP diluted earnings per share. While non-GAAP financial measures are not superior to or a substitute for the comparable GAAP measures, ICON believes certain non-GAAP information is useful to investors for historical comparison purposes.

ICON will hold its second quarter conference call today, July 30, 2014 at 8:30 EST [13:30 Ireland & UK]. This call and linked slide presentation can be accessed live from our website at <http://investor.iconplc.com>. A recording will also be available on the website for 90 days following the call. In addition, a [calendar of company events](#), including upcoming conference presentations, is available on our website, under "Investors". This calendar will be updated regularly.

This press release contains forward-looking statements. These statements are based on management's current expectations and information currently available, including current economic and industry conditions. These statements are not guarantees of future performance or actual results, and actual results, developments and business decisions may differ from those stated in this press release. The forward-looking statements are subject to future events, risks, uncertainties and other factors that could cause actual results to differ materially from those projected in the statements, including, but not limited to, the ability to enter into new contracts, maintain client relationships, manage the opening of new offices and offering of new services, the integration of new business mergers and acquisitions, as well as economic and global market conditions and other risks and uncertainties detailed from time to time in SEC reports filed by ICON, all of which are difficult to predict and some of which are beyond our control. For these reasons, you should not place undue reliance on these forward-looking statements when making investment decisions. The word "expected" and variations of such words and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only as of the date they are made and we do not undertake any obligation to update publicly any forward-looking statement, either as a result of new information, future events or otherwise. More information about the risks and uncertainties relating to these forward-looking statements may be found in SEC reports filed by ICON, including its Form 20-F, F-1, S-8 and F-3, which are available on the SEC's website at <http://www.sec.gov>.

ICON plc is a global provider of outsourced development [services](#) to the pharmaceutical, biotechnology and medical device industries. The company specialises in the strategic development, management and analysis of programs that support clinical development - from compound selection to Phase I-IV clinical studies. With headquarters in Dublin, Ireland, ICON currently, operates from 83 locations in 38 countries and has approximately 11,000 employees. Further information is available at [www.iconplc.com](http://www.iconplc.com).

Source: ICON plc

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**ICON/ICLR-F**

## ICON plc

### Consolidated Income Statements (Unaudited) (Before restructuring and other items)

Three and Six Months ended June 30, 2014 and June 30, 2013

(Dollars, in thousands, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Gross Revenue	506,404	469,626	982,948	888,685
Reimbursable expenses	130,384	135,407	257,294	237,677
<b>Net Revenue</b>	<b>376,020</b>	<b>334,219</b>	<b>725,654</b>	<b>651,008</b>
<b>Costs and expenses</b>				
Direct Costs	227,188	214,231	443,328	416,592
Selling, general and administrative	87,622	77,548	166,570	153,112

Depreciation and amortisation	12,922	11,520	24,470	22,976
<b>Total costs and expenses</b>	<b>327,732</b>	<b>303,299</b>	<b>634,368</b>	<b>592,680</b>
<b>Income from operations</b>	<b>48,288</b>	<b>30,920</b>	<b>91,286</b>	<b>58,328</b>
Net interest income / (expense)	(38)	(100)	53	(285)
<b>Income before provision for income taxes</b>	<b>48,250</b>	<b>30,820</b>	<b>91,339</b>	<b>58,043</b>
Provision for income taxes	7,467	4,315	14,361	9,336
<b>Net Income</b>	<b>40,783</b>	<b>26,505</b>	<b>76,978</b>	<b>48,707</b>
Net income per ordinary share				
Basic	\$0.66	\$0.44	\$1.24	\$0.80
Diluted	\$0.64	\$0.43	\$1.22	\$0.79
Weighted average number of ordinary shares				
Basic	61,934,923	60,724,296	61,855,783	60,555,945
Diluted	63,343,269	61,898,903	63,290,292	61,607,757

## ICON plc

### Consolidated Income Statements (Unaudited) (US GAAP)

Three and Six Months ended June 30, 2014 and June 30, 2013

(Dollars, in thousands, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Gross Revenue	506,404	469,626	982,948	888,685
Reimbursable expenses	130,384	135,407	257,294	237,677
<b>Net Revenue</b>	<b>376,020</b>	<b>334,219</b>	<b>725,654</b>	<b>651,008</b>
<b>Costs and expenses</b>				
Direct costs	227,188	214,231	443,328	416,592
Selling, general and administrative	87,622	77,548	166,570	153,112
Depreciation and amortization	12,922	11,520	24,470	22,976
Restructuring and other items	-	4,621	-	9,033
<b>Total costs and expenses</b>	<b>327,732</b>	<b>307,920</b>	<b>634,368</b>	<b>601,713</b>
<b>Income from operations</b>	<b>48,288</b>	<b>26,299</b>	<b>91,286</b>	<b>49,295</b>
Net interest expense	(38)	(100)	53	(285)

<b>Income before provision for income taxes</b>	48,250	26,199	91,339	49,010
Provision for income taxes	7,467	3,720	14,361	7,486
<b>Net income</b>	<b>40,783</b>	<b>22,479</b>	<b>76,978</b>	<b>41,524</b>
Net income per ordinary share				
Basic	\$0.66	\$0.37	\$1.24	\$0.69
Diluted	\$0.64	\$0.36	\$1.22	\$0.67
Weighted average number of ordinary shares				
Basic	61,934,923	60,724,296	61,855,783	60,555,945
Diluted	63,343,269	61,898,903	63,290,292	61,607,757

**ICON plc**

**Summary Balance Sheet Data**

**June 30, 2014 and March 31, 2014**

**(Dollars, in thousands)**

	<b>June 30, 2014 (Unaudited)</b>	<b>March 31, 2014 (Unaudited)</b>
Net cash	175,372	363,521
Accounts receivable	382,924	337,600
Unbilled revenue	139,739	116,653
Payments on account	(290,754)	(269,771)
Total	231,909	184,482
Working Capital	295,511	405,923
Total Assets	1,525,740	1,484,541
Shareholder's Equity	998,333	960,785

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Source: ICON plc

