



ICON Reports Full-Year 2010 Revenue of \$900m and EPS of \$1.44

Highlights — Full Year 2010 and Fourth Quarter ended December 31.

* 2010 net revenue increased 1.4% to \$900 million, or 3.1% on a constant currency basis. Q4 net revenues increased 2.1% or 5.6% on a constant currency basis to \$232 million.

* 2010 operating income was 10.2% or \$92 million. Q4 operating income was 9.5% or \$22 million.

* Diluted 2010 EPS was \$1.44. EPS for Q4 was 36 cents.

* 2010 net new business awards were \$1.05 billion, a book-to-bill of 1.16x. Q4 net business awards were \$237 million, a book-to-bill of 1.0x.

* Guidance for 2011 is for revenue in the range of \$945 - \$980 million, growth of 5 — 9%, and EPS in the range of \$1.10 to \$1.25

DUBLIN--(BUSINESS WIRE)-- **ICON (NASDAQ:ICLR) (ISIN:IE0005711209)**, a global provider of outsourced development services to the pharmaceutical, biotechnology and medical device industries, today reported its financial results for the full year and fourth quarter ended December 31, 2010.

Net revenues for 2010 grew 1.4% to \$900 million, representing a constant currency increase of 3.1% year on year.

Operating income was \$92 million, representing 10.2% of revenue, compared to \$116.3 million and 13.1% last year. This comprised clinical services operating income of \$104.8 million or 12.5% and central lab operating losses of \$12.8 million.

Net income was \$87.1 million, a net margin of 9.7%, compared to \$91.6 million last year and 10.3% of revenue. Diluted EPS for 2010 was \$1.44 per share compared with \$1.53 in 2009.

For the fourth quarter, net revenues grew 2% to \$232.1 million. On a constant currency basis the increase was 5.6%.

Operating income was \$22 million, representing 9.5% of revenue, compared to \$29.6 million or 13% for the same quarter last year. This comprised clinical services operating income of \$26 million or 12.1% and a central lab operating loss of \$4 million.

Net income was \$22 million, compared with \$23.9 million last year, producing a diluted earnings per share of 36c compared to 40c in the same quarter last year.

Days sales outstanding, comprising accounts receivable and unbilled revenue less payments on account, were 37 days at December 31, 2010. This compares to 33 days at December 31, 2009.

For the quarter ended December 31, 2010, cash provided by operating activities was \$31.9 million and capital expenditure was \$7.1 million. Full year 2010 cash flow from operating activities was \$87.4 million and capital expenditure was \$31 million. As a result, the company's net cash amounted to \$256 million at December 31, 2010 compared to \$194 million of net cash at December 31, 2009.

Commenting on the results, CEO Peter Gray said "2010 has been a challenging year, as some parts of our business, and particularly our central lab, absorbed the impact of the weak business environment in 2009. 2010 has also seen an acceleration in the pace of change in the biopharmaceutical industry, which is creating strong opportunities for the future, but is requiring us to adapt our business model and structures to effectively capitalise on these. This process continues, and we are making significant investments to build additional capabilities, to leverage our scale more effectively, and to implement process and systems change necessary to prosper in the evolving market. We do not expect the benefit of our investments to be realised until late 2011 and into 2012. Consequently we are guiding revenue for 2011 in the range of \$945 — \$980 million, representing growth of 5-9%, and EPS in the range of \$1.10 - \$1.25."

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.

The company will hold its fourth quarter conference call today, February 24, 2011 at 9:00 EST [14:00 Ireland & UK]. This call and linked slide presentation can be accessed live from our website at <http://www.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.

The statements made in this press release may contain forward-looking statements that involve a number of risks and uncertainties. In addition to the matters described in this Press Release, the ability to maintain large client contracts or enter into new contracts, maintain client relationships and the ability to manage the opening of new offices, the integration of new business mergers and acquisitions, as well as other risks and uncertainties detailed from time to time in SEC reports filed by ICON, including its Form 20-F, F-1, S-8 and F-3, may affect the actual results achieved by ICON. ICON disclaims any intent or obligation to update these forward-looking statements.

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 77 locations in 39 countries and has approximately 7,700 employees. Further information is available at www.iconplc.com.

ICON/ICLR-F

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Consolidated Income Statements (Before one time net charges & tax credits)

Three and Twelve Months ended December 31, 2010 and December 31, 2009
(Dollars, in thousands, except share and per share data)

	Three Months Ended		Twelve Months Ended	
	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009
Gross Revenue	317,279	321,541	1,263,147	1,258,227
Reimbursable expenses	85,193	94,122	363,103	370,615
Net Revenue	232,086	227,419	900,044	887,612
Costs and expenses				
Direct costs	139,741	131,291	541,388	507,783
Selling, general and administrative	61,463	57,271	232,688	230,910
Depreciation and amortization	8,868	9,238	33,873	32,659
Total costs and expenses	210,072	197,800	807,949	771,352
Income from operations	22,014	29,619	92,095	116,260
Interest income/(expense)	484	(474)	629	(2,778)
Income before provision for income taxes	22,498	29,145	92,724	113,482
Provision for income taxes	(398)	(5,237)	(5,653)	(21,924)
Net income	22,100	23,908	87,071	91,558

Net income per ordinary share				
Basic	\$0.37	\$0.41	\$1.46	\$1.56
Diluted	\$0.36	\$0.40	\$1.44	\$1.53
Weighted average number of ordinary shares				
Basic	60,145,383	58,808,946	59,718,934	58,636,878
Diluted	60,817,130	60,092,814	60,637,103	59,900,504

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Consolidated Income Statements (US GAAP)

Three and Twelve Months ended December 31, 2010 and December 31, 2009
(Dollars, in thousands, except share and per share data)

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Net Revenue	<u>232,086</u>	<u>227,419</u>	<u>900,044</u>	<u>887,612</u>
Costs and expenses				
Direct costs	139,741	131,291	541,388	507,783
Selling, general and administrative	61,463	57,271	232,688	230,910
Depreciation and amortization	8,868	9,238	33,873	32,659
One time net charges	-	(133)	-	8,808
Total costs and expenses	<u>210,072</u>	<u>197,667</u>	<u>807,949</u>	<u>780,160</u>
Income from operations	22,014	29,752	92,095	107,452
Interest income/(expense)	484	(474)	629	(2,778)
Income before provision for income taxes	<u>22,498</u>	<u>29,278</u>	<u>92,724</u>	<u>104,674</u>
Provision for income taxes	(398)	1,598	(5,653)	(10,375)
Net income	<u><u>22,100</u></u>	<u><u>30,876</u></u>	<u><u>87,071</u></u>	<u><u>94,299</u></u>
Net income per ordinary share				
Basic	\$0.37	\$0.53	\$1.46	\$1.61
Diluted	\$0.36	\$0.51	\$1.44	\$1.57
Weighted average number of ordinary shares				
Basic	60,145,383	58,808,946	59,718,934	58,636,878

Diluted 60,817,130 60,092,814 60,637,103 59,900,504

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Summary Balance Sheet Data

December 31, 2010 and December 31, 2009
(Dollars, in thousands)

	December 31, 2010 (Audited)	December 31, 2009 (Audited)
Cash and short-term investments	255,706	194,028
Debt	-	-
Net cash	255,706	194,028
Accounts receivable	164,907	191,924
Unbilled revenue	101,431	92,080
Payments on account	(134,240)	(165,198)
Total	132,098	118,806
Working Capital	329,350	235,906
Total assets	949,538	908,398
Shareholders' equity	669,999	572,246

Source: ICON plc

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