BIOCLINICA INC
Form 10-K
February 22, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

Commission File No. 001-11182

BIOCLINICA, INC.

(Exact name of Registrant as specified in its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	**11-2872047** (I.R.S. Employer Identification No.)
826 Newtown-Yardley Road, Newtown, Pennsylvania (Address of principal executive offices)	**18940-1721** (Zip Code)

(267) 757-3000

(Registrant s telephone number,
including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.00025 par value per share	NASDAQ Global Market
Preferred Share Purchase Rights	

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes: o No: x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes: o No: x

Indicate by check mark if the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: x No: o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website; if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes: x No:o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark if the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of large accelerated filer , accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o (do not check if a smaller reporting company)	Smaller reporting company x

Indicate by check mark if the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes: o No: x

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was $60.7 million on June 30, 2012, the last business day of the registrant s most recently completed second fiscal quarter, based on the close price on that date.

Indicate the number of shares outstanding of each of the registrant s classes of common equity, as of January 31, 2013:

Class	**Number of Shares**
Common Stock, $.00025 par value	15,685,671

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PART I

Item 1. Business.

Overview

BioClinica®, Inc., referred to herein as BioClinica , we , us and our , provides integrated clinical research technology solutions to pharmaceutical biotechnology, and medical device companies, and other organizations such as contract research organizations, or CROs, engaged in global clinical studies. Our products and services include: medical image management, electronic data capture, clinical data management, interactive voice and web response, clinical trial supply forecasting tools, clinical trial management systems, and electronic image transport and archive solutions. By supplying enterprise-class software and hosted solutions accompanied by expert services to fully utilize these tools, we believe that our offerings provide our clients, large and small, improved speed and efficiency in the execution of clinical studies, with reduced clinical and business risk.

Our solutions support clinical stage research and development, or R&D, functions for our clients, and specifically, the collection, cleaning, and reporting of data related to their clinical trials. For large pharmaceutical and biotechnology companies, outsourcing these services to BioClinica is a cost effective alternative to the fixed cost model associated with internal drug development. Moreover, these large companies can benefit from BioClinica s technical resource pool, broad therapeutic expertise, and global infrastructure to support simultaneous multi-country clinical trials. For smaller companies, BioClinica provides the focused expertise and the manpower that they simply may not have in-house to pursue the resource-intensive clinical stages of drug development.

Our vision is to build critical mass in the complementary disciplines of clinical research related to data collection and processing especially those which can benefit from our information technology products and support services and to integrate these offerings in ways that yield efficiency and value for our clients. Our goal is to provide demonstrable benefits to sponsor clients through this strategy, that is, more reliable, faster and less expensive drug development. We believe that the outsourcing of these services should continue to increase in the future because of continued pressure on clinical trial sponsors, including factors such as: the need to more tightly manage costs, capacity limitations, reductions in marketing exclusivity periods, the desire to reduce development time, increased globalization of clinical trials, productivity challenges, imminent patent expirations, and more stringent regulation. We believe these trends will continue to create opportunities for companies like BioClinica that are focused on improving the efficiency of drug and medical device development.

Our Business

We view our operations and manage our business as one operating segment. Our extensive customer base includes all of the top 20 global pharmaceutical companies measured by revenue and many small and middle-market life sciences companies, as well as CROs.

BioClinica s clinical trial solutions enhance pharmaceutical and biotech companies ability to collect, clean (i.e., verify and ensure accuracy), process, and store the vast quantities of data generated in clinical trials. Through the use of our proprietary software and associated services, our customers see the results of their clinical trials sooner and more accurately than through alternate methods. We believe our forecasting, simulation, and reporting tools improve our clients ability to manage their clinical trials and significantly reduce cost and risk inherent in clinical development. Our Medical Imaging Solutions support the collection and processing of clinical data, but specifically those related to medical images. The large size of digital image files requires rigorous processes to manage this data. We have developed proprietary expert software applications and services to make image collection both accurate and efficient. BioClinica s Medical Imaging Solutions also assist clients with the

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design and management of the medical imaging component of clinical trials and with the analysis and regulatory submission. Our systems enable us to contract with the foremost independent radiologists and other medical specialists who are involved in clinical trials to review medical image data in an entirely digital format and make highly precise measurements and biostatistical inferences to evaluate the efficacy and safety of pharmaceuticals, biologics, or medical devices. The resulting data enables our clients and regulatory reviewers, primarily the U.S. Food and Drug Administration, or the FDA, and comparable European agencies, to evaluate product efficacy and safety.

Acquisitions have been, and may continue to be, an important component of BioClinica s growth strategy.

On March 25, 2010, we acquired substantially all of the assets of privately held TranSenda International, LLC, or TranSenda. TranSenda was a provider of clinical trial management software, or CTMS, solutions. TranSenda s suite of web-based, Office-Smart CTMS solutions creates efficiencies for trial operations through interoperability with Microsoft Office tools. With this acquisition, we enhanced our ability to serve customers throughout the clinical research process with technologies that include improved efficiencies by reducing study durations and costs through integrated operational management.

On September 16, 2009, BioClinica acquired Tourtellotte Solutions, Inc., a private Massachusetts software firm. Tourtellotte Solutions supply chain simulation software added a new enterprise-class offering to our product line, and their interactive voice, or IVR, interactive web, or IWR, technology developments greatly advanced BioClinica s capabilities in this area.

We were incorporated in Delaware in 1987 under the name Wise Ventures, Inc. Our name was changed to Bio-Imaging Technologies, Inc. in 1991 and was changed to BioClinica, Inc. in 2009. We changed the company name to BioClinica, Inc. in 2009 to better reflect our expanded products and services. The address of our principal executive offices is 826 Newtown-Yardley Road, Newtown, Pennsylvania, 18940, and our telephone number is 267-757-3000. Our Internet website is www.bioclinica.com. We make available on our Internet website all of our public filings with the Securities and Exchange Commission, or SEC. However, nothing on our Internet website is intended to be incorporated by reference into this Form 10-K or any other filing made by us with the SEC. The public may read or copy any filings that BioClinica, Inc. files with the SEC at the SEC Public Reference Room at 100 F. Street, N.E., Washington, D.C. 20549. The SEC maintains an internet site that contains reports, proxy, and information statements, and other information regarding issuers that file electronically with the SEC. The website is http://www.sec.gov. The public can also obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

Transaction with Affiliates of JLL Partners

On January 30, 2013, it was announced that affiliates of JLL Partners, Inc., or JLL, including BioCore Holdings, Inc., or Parent, and BC Acquisition Corp., a wholly-owned subsidiary of Parent, or Purchaser, entered into an Agreement and Plan of Merger, or the Merger Agreement, with us whereby Parent will acquire us. The acquisition will be carried out in two steps. The first step is the tender offer by Purchaser to purchase all of our outstanding shares of common stock at a price of $7.25 per share, payable net to the seller in cash, or the Tender Offer. Unless subsequently extended, the Tender Offer will expire on March 11, 2013 at 12:00 midnight New York City time.

Following the successful completion of the Tender Offer, Purchaser will be merged with the Company, and all shares of our common stock not purchased in the Tender Offer (other than shares held by Purchaser or its affiliates or the Company and dissenting shares) will be converted into the right to receive $7.25 in cash per share of our common stock. In addition, under the terms of the Merger Agreement, Purchaser is granted an option to

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acquire up to one share more than 90% of our issued and outstanding common stock if necessary to allow a short-form merger under Delaware law, which would not require a stockholder vote. The Merger is subject to customary conditions.

Target Markets

Our primary target market is comprised of pharmaceutical, biotechnology, and medical device companies with products in any stage of clinical development (Phase I, Phase II, Phase III, or Phase IV). Though our experience spans a wide range of therapeutic areas, we also target the largest areas of clinical research with customized products and services to support the precise requirements of these projects. Our therapeutic areas of expertise include: oncology, musculoskeletal conditions, and cardiology, plus central nervous system, neurovascular, and metabolic diseases.

Our Solutions and Services

The processes and technology incorporated into our offerings are designed to provide clients with the ease of use and scalability to handle large global trials as well as the flexibility, speed, and efficiency necessary to support smaller or early phase trials. The conduct of clinical trials for new drugs, biological products, and medical devices is regulated by the FDA and other regulatory bodies. Our products and services are designed to help our clients to operate in a manner that is compliant with applicable regulations and follows applicable regulatory guidance.

Medical Imaging Solutions

BioClinica provides a broad array of medical imaging management solutions to support clinical development. Medical image data are received by us from clinical trial sites located throughout the world. We have developed systems and procedures for data tracking and quality control that we believe to be of significant value to our clients. Our facilities in the U.S. and Europe are equipped with specialized hardware and software for the digitization of films and translation of digital data, enabling data to be standardized, regardless of its source. We believe our ability to handle most commercially available image file formats is a valuable technical asset and an important competitive advantage in gaining new business from large, global, multi-center clinical trials.

We have also developed image analysis software to measure key indicators of drug efficacy in different organs and disease states. The results from image analysis derived in our facilities can be transmitted electronically to our clients for regulatory submission. In addition, clients can use our image analysis software to determine patient eligibility for their clinical trials. Our information management services focus on providing specialized solutions for improving the quality, speed, and flexibility of image data management for clinical trials. We believe that utilizing our BioReadTM system offers numerous advantages over conventional film-based medical image reading scenarios, including increased reading speed, greater standardization of image reading, and reduced error in the capture of reader interpretations.

Using our BioRead system, independent medical specialists can review medical image data from clinical trials in a digital format. The BioRead system displays all modalities of medical image data, regardless of source equipment. In addition, the systems display either translated digital data or digitized films. Such image reviews are often required during clinical trials to evaluate patients responses to therapy or to determine if patients qualify for studies. By using the BioRead system to read and evaluate image data, medical specialists achieve greater reading speed than is possible with a manual film-based system and can perform evaluations in a more objective, reproducible manner.

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We have also developed remote BioRead systems that are located on the premises of the individual medical specialists who are engaged by the sponsor to perform the analysis of the medical image data. Historically, the BioRead systems have been utilized to determine efficacy of the compounds being studied.

BioClinica assists clients in the design and management of the medical imaging component of clinical trials for all modalities, which includes computerized tomography, or CT, magnetic resonance imaging, or MRI, radiography, dual energy x-ray absorptiometry, or DXA/DEXA, positron emission tomography, or PET, single photon emission computerized tomography, or SPECT, quantitative coronary angiography, or QCA, cardiac MRI and CT, intravascular ultrasound, or IVUS, peripheral quantitative angiography, or QVA, central nervous system, or CNS, MRI, and ultrasound. We offer our clients therapeutic expertise in areas including oncology, musculoskeletal conditions, and cardiology, plus central nervous system, neurovascular, and metabolic diseases.

BioClinica WebSend provides our clients with a streamlined electronic transport solution to facilitate the blinding, sharing, tracking, and archiving of medical images for multi-center clinical trials as part of our suite of imaging services. Most clinical studies use courier services to transport large medical image files a process that can be slow, cumbersome, and prone to error. BioClinica WebSend provides investigator sites with a simple tool to complete transmittal forms with full validation of protocol-specific requirements and send large image studies directly to BioClinica in minutes via an Internet connection. BioClinica extends WebSend functionality to facilitate electronic sharing, tracking, analysis, and archiving of medical images for single or multi-center clinical trials with imaging endpoints.

Clients are increasingly using imaging criteria for inclusion/exclusion criteria. This use requires extremely rapid turn-around reads. We believe that the combination of WebSend and BioRead offers the optimal tool for this work because it allows us, at our client s discretion, to provide the images to an expert in the field to facilitate the review of the images from the expert s remote location, with the utmost possible speed in transport. Imaging information can also be integrated with BioClinica Express electronic data capture, or EDC, to further simplify and enhance the clinical trial process and improve the visibility of clinical data for life science companies.

Electronic Data Capture (EDC)

BioClinica ExpressTM EDC is an EDC technology platform that automates expensive, time-consuming, paper-based clinical trial processes and scales securely, reliably, and cost-effectively for global clinical trials involving large numbers of clinical sites and patients. The Express system integrates EDC functionality with clinical data management system features into a single solution that replaces traditional paper-based methods. Using our proprietary software, clients collect, clean, and manage their clinical data completely in electronic format. This technology-enabled process improves data quality and allows our sponsors to see the results of their clinical trials faster than conventional paper-based methods. Electronic versions of case report forms, or eCRFs, are made available to each research site participating in the clinical trial via the Internet. The Express system also allows the import and integration of clinical data from other sources during the course of the trial to help to reduce the imprecision and inefficiencies of waiting until the end of the trial to get a full and accurate analysis of the efficacy and safety of the investigational compound.

IVR/IWR Interactive Response Solutions

BioClinica Trident IWR is a next-generation interactive voice response IVR/IWR system that was released in 2010. It is parameter-driven, built specifically for the web, and is able to support rapid, flexible customization that supplies greater control over cost and data than legacy clinical IVR systems. Process knowledge and expertise in IVR/IWR, simulation and forecasting, and clinical supplies combined with other

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innovations, has led to the development of Trident IWR.

Trident IWR s unique interface provides clinical operations personnel with an intuitive way to directly set up, monitor, and maintain randomization and supplies for their clinical trials, in a fraction of the time

previously required. Trident IWR delivers rapid study setup with no programming, while supporting multiple concurrent studies. Trident IWR eliminates the need to design and create a new database for each new trial, and it provides custom data reporting and metrics. Trident IWR also offers an innovative integration with BioClinica Optimizer that unifies planning and execution systematically, extending clients precision and control over these complex processes.

Clinical Supply Forecasting and Optimization

BioClinica Optimizer clinical supply forecasting and optimization is a product that allows biopharmaceutical companies to simulate, forecast, and optimize their clinical supply chain. Optimizer allows clients to design unlimited supply chain scenarios and vary relevant study parameters from a global level down to a site level. Simulated results can be analyzed and modified to create the ideal clinical supply chain. Simulation is a process that replicates a real-world system or environment in order to predict actual behavior. Simulating study scenarios can help identify and mitigate supply crisis, study delays, and unnecessary overages. Optimizer helps define the minimum thresholds for site stock and local country depots using specific shipping lead times. Finding the maximum unpredictable demand over time allows users to change their minimum stock levels as the study progresses, e.g. dropping off as enrollment or other unpredictable events become complete. BioClinica offers Optimizer both through software licensing and as an outsourced service to make these benefits accessible to organizations of any size.

Clinical Trial Management Systems, or CTMS

BioClinica OnPoint CTMS is an application that helps sponsors and CROs better manage business and operational processes for clinical trials by capturing and manipulating the trial data electronically. BioClinica OnPoint includes: applications to manage data related to clinical sites, personnel, subjects, and clinical supplies; scheduling, tracking, and monitoring performance; site payments; study document management; vendors; and more.

BioClinica OnPoint leverages Microsoft® SharePoint, Microsoft® Office, and BioClinica technologies to provide superior team collaboration, connectivity, and efficiency in a multi-site environment; it is the only CTMS capable of fully utilizing the Microsoft Office environment. OnPoint also interfaces with a variety of systems, such as EDC and IVR/IWR systems, to fully integrate all clinical operational data. The CTMS product line also includes the BioClinica Clinical Payment Manager. Most financial systems do not have the functions or the flexibility needed to efficiently track payments specific to clinical trials; and manual payment calculation can involve extensive sorting through trial activity and contracts a process that takes time, limits visibility and is often prone to error. This results in one of the leading complaints of investigators a lack of timely and accurate payments. Offered as both a stand-alone system or fully integrated with BioClinica CTMS, Clinical Payment Manager also works with Microsoft Office software to further maximize efficiency.

Data Management

BioClinica Express clinical data management services support the accurate collection, verification, and analysis of clinical data. The data management team designs eCRFs and data management plans to ensure that data are collected in compliance with both the study protocol and applicable regulatory requirements. Prior to data lock, BioClinica personnel screen the data to detect errors, omissions, and other deficiencies in completed eCRFs. Data management personnel review, code, reconcile serious adverse events, and assist with the resolution

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of any data-related problems. Clients can utilize these services to augment their organization for an entire trial or to manage unexpected resource situations. Other clients choose to completely outsource the data management function in lieu of direct staff.

Additional Services

Our products are supported by comprehensive consulting, training services, and application hosting and support capabilities to support clinical trials on a global scale. In addition to our U.S. headquarters, we have offices with service personnel in the Netherlands, France and India.

Application Hosting Services. Other than our internal medical imaging systems, our software products are available to customers through software licensing arrangements and as hosted application solutions with technical and training support services.

Consulting Services. We provide technical consulting in the evaluation of the sites that may participate in clinical trials. We also provide consulting services to our clients regarding regulatory issues involved in the design, execution, analysis, and submission of medical image data in clinical trials. BioClinica provides expertise through our deep roster of collaborative consultants, which includes board-certified radiologists, oncologists, rheumatologists, cardiologists, and other therapeutic specialists to ensure the highest quality independent review, as well as clinical trial design and deployment expertise.

Customer Support. Our multi-lingual customer and site technical support is available 24 hours per day, seven days per week, via our call center. Customer support also includes training and software maintenance. Support services are bundled within our software licenses and outsourced service offerings.

Intellectual Property

Proprietary intellectual property protection for our computer-imaging programs, processes and expertise is important to our business. We have developed certain technically-derived procedures and computer software applications that are intended to increase the effectiveness and quality of our services. We rely upon patents, trademarks, copyrights, trade secrets, know-how and continuing technological innovation to develop and maintain our competitive position. We have claimed trademark protection for BioClinica. We hold patents for the two DEXA phantoms, titled Spine and Variable Composition Phantoms , which we sell to trial sites. We cannot assure you that we can limit unauthorized or wrongful disclosures of trade secrets or otherwise confidential information. In addition, to the extent we rely on trade secrets and know-how to maintain our competitive technological position, we cannot assure you that others may not develop independently the same, similar or superior techniques. Although our intellectual property rights are important to the results of our operations, we believe that other factors, such as our independence, process knowledge, technical expertise and experience are more important, and that, overall, these technological capabilities offer significant benefits to our clients.

Government Regulation

It is our view that demand for our software products, services and hosted solutions is largely a function of the regulatory requirements associated with the investigation and approval of drugs, biologics and medical devices, as well as the monitoring of and reporting on the safety of these products. The clinical testing of drugs, biologics and medical devices is subject to regulation by the FDA and other governmental authorities worldwide. The use of software and services during the clinical trial process must adhere to the regulations known as Good Clinical Practices and other various codified FDA regulations, and should adhere to regulatory guidance such as

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the Consolidated Guidance for Industry from the International Conference on Harmonization regarding Good Clinical Practice for Europe, Japan and the United States and other guidance documents. Our products, services and hosted solutions are developed using our domain expertise and are designed to allow compliance with applicable rules and regulations and conformance with applicable guidance. The foregoing regulations and regulatory guidance are subject to change at any time. Changes in regulations and regulatory guidance to either more or less stringent conditions could adversely affect our business and the software products, services and hosted solutions we make available to our customers. Further, a material violation by us or our customers of Good Clinical Practices could result in a warning letter from the FDA, the suspension or termination of clinical trials, investigator disqualification, debarment, the rejection or withdrawal of a product marketing application, criminal prosecution or civil penalties, any of which could have a material adverse effect on our business, results of operations or financial condition.

In addition to the aforementioned regulations and regulatory guidance, the FDA has developed regulations and regulatory guidance concerning electronic records and electronic signatures. The regulations, codified as 21 CFR Part 11, are interpreted for clinical trials in a guidance document titled Computerized Systems Used in Clinical Trials . This regulatory guidance stipulates that computerized systems used to capture or manage clinical trial data must meet certain standards for attributability, accuracy, retrievability, traceability, inspectability, validity, security and dependability. Other guidance documents have been issued that also help in the interpretation of 21 CFR Part 11. We cannot assure you that the design of our software solutions, will continue to allow customers to maintain conformance with these guidelines as they develop. Any changes in applicable regulations that are inconsistent with the design of any of our software solutions or which reduce the overall level of record-keeping or other controls or performances of clinical trials, may have a material adverse effect on our business and operations. If we fail to offer solutions that allow our customers to comply with applicable regulations, it could result in the suspension or termination of on-going clinical trials, the disqualification of data for submission to regulatory authorities, or the withdrawal of approved marketing applications.

The FDA has established mandatory procedures and safety standards that apply to the clinical testing, manufacturing and marketing of drugs and medical devices. These procedures and safety standards include, among other things, the completion of adequate and well-controlled human clinical trials to establish the safety and efficacy of the drug or device for its recommended conditions or use. We advise our clients in the execution of clinical trials and other drug and device development tasks. We do not administer drugs to or utilize medical devices on patients.

The success of our business is dependent upon continued acceptance by the FDA and other regulatory authorities of the data and analyses generated by our services in connection with the evaluation of the safety and efficacy of new drugs and devices. The FDA has formal guidelines that encourage the use of surrogate measures, through submission of digital image data, for evaluation of drugs to treat life-threatening or debilitating conditions. We cannot assure you that the FDA or other regulatory authorities will accept the data or analyses generated by us in the future and, even assuming acceptance, we cannot assure you that the FDA or other regulatory authorities will require the application of imaging techniques to numbers of patients and over time periods substantially similar to those required of traditional safety and efficacy techniques.

Changes in the FDA s policy for the evaluation of therapeutic oncology agents may have a positive impact on the time to market of such therapeutics. According to FDA guidelines, approval times for new cancer therapies can be shortened if evidence of tumor shrinkage is verifiable and demonstrable through the use of objective measurement techniques. These guidelines place greater reliance on the use of medical image data to demonstrate objective tumor shrinkage. In addition, the FDA has implemented guidelines aimed at accelerating other therapeutic categories through the use of imaging markers as surrogate endpoints for measuring therapeutic effectiveness. We believe the FDA s initiatives to streamline and accelerate the submission and review process of therapeutic agents has had a favorable impact on our business.

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We believe that our ability to achieve continued and sustainable growth will be materially dependent upon, among other factors, the continued stringent enforcement of the comprehensive regulatory framework by various government agencies. Any significant change in these regulatory requirements or the enforcement thereof, especially relaxation of standards, could adversely affect our business.

The current European market regulation is more fragmented than in the United States. However, we believe that our expertise in working with the standards of the FDA provides us with experience when working with the various European regulatory agencies.

Competition

The market for medical image management, electronic data collection, data management and other clinical trial services is highly competitive and rapidly evolving. Our clinical research technology solutions compete against specialty CROs, and to a lesser extent, universities and teaching hospitals. Certain of our technology solutions compete with internally developed solutions, general CROs, and independent providers of such services. Certain of these competitors are owned by or are divisions of larger organizations, some of which have substantially greater resources than we do. As competition increases, we will look to provide value-added services and undertake marketing and sales programs to differentiate our services based on our expertise and experience in specific therapeutic and diagnostic areas, our technical expertise, our regulatory and clinical development experience, our quality performance and our international capabilities. Our competitive position also depends upon our ability to attract and retain qualified personnel and develop and preserve proprietary technology, processes and know-how. Competition in our industry has resulted in additional pressure being placed on price, service and quality. Although we believe that we are well positioned against our competitors due to our experience in clinical trials and regulatory compliance along with our international presence, we cannot assure you that our competitors or clients will not provide or develop services similar or superior to those provided by us. This competition could have a material adverse impact on us.

Marketing and Sales

We provide and market our services on an international basis primarily to pharmaceutical, biotechnology and medical device companies. We sell our products through a direct sales force and through relationships with CROs. Our direct sales force is operated out of three U.S. field offices and two European field offices, as well as our operational facilities in Pennsylvania and Leiden, The Netherlands. In addition, follow-on sales are accomplished by the efforts of sales professionals, project managers and other consulting services professionals.

Our selling efforts are primarily focused on North America and Western Europe. Our marketing activities include exhibiting at major trade shows, advertising in trade journals and the sponsoring of industry associations.

Significant Clients

Contracts with one client, Pfizer Inc., which encompassed 24 projects, represented 18.7% of our service revenues for the year ended December 31, 2012. Contracts with Pfizer, Inc., which encompassed 21 projects, represented 19.8% of our service revenues for the year ended December 31, 2011. Contracts with Pfizer, Inc., which encompassed 22 projects, represented 19.9% of our service revenues for the year ended

December 31, 2010. Contracts are terminable by our clients at any time and for any reason. The loss of business from a significant client or our failure to continue to obtain new business to replace completed or cancelled projects would have a material adverse effect on our business and revenues.

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Business Segments and Geographic Information

We view our operations and manage our business as one operating segment, clinical trials services.

Our corporate headquarters and operational facilities are in Pennsylvania, in the United States. We also have a European facility in Leiden, the Netherlands. We manage our services for European-based clinical trials from the Leiden facility. Our European facility has similar processing and analysis capabilities as our United States headquarters. We also have a facility in Lyon, France that provides product development and research activities. We have an office in Bhubaneshwar, India to provide information technology support services.

Employees

As of December 31, 2012, we had 585 full-time employees, four of whom were executive officers.

Of our employees, as of December 31, 2012, 40 were engaged in sales and marketing, 483 were engaged in client-related projects, and 62 were engaged in administration and management. A significant number of our management and professional employees have prior industry experience. We believe that we have been successful in attracting skilled and experienced personnel; however, it remains a competitive market for recruiting such personnel. As of January 31, 2013, we have employment agreements with three of our executive officers. See Item 11. Executive Compensation . We consider relations with our employees to be good.

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Item 1A. Risk Factors.

The more prominent risks and uncertainties inherent in our business are described below. However, additional risks and uncertainties may also impair our business operations. If any of the following risks actually occur, our business, financial condition or results of operations may suffer. Any of the following factors could harm our business and future results of operations, and you could lose all or part of your investment.

Risks Related to Our Merger

If our acquisition by JLL is not completed as expected, our stock price, business and results of operations may suffer.

On January 30, 2013, it was announced that affiliates of JLL, including Parent and Purchaser, entered into the Merger Agreement with us whereby Parent will acquire us. The acquisition will be carried out in two steps. The first step is the tender offer by Purchaser to purchase all of our outstanding shares of common stock at a price of $7.25 per share, payable net to the seller in cash. Unless subsequently extended, the Tender Offer will expire on March 11, 2013 at 12:00 midnight New York City time.

Following the successful completion of the Tender Offer, Purchaser will be merged with the Company, and all shares of our common stock not purchased in the Tender Offer (other than shares held by Purchaser or its affiliates or the Company and dissenting shares) will be converted into the right to receive $7.25 in cash per share of our common stock. In addition, under the terms of the Merger Agreement, Purchaser is granted an option to acquire up to one share more than 90% of our issued and outstanding common stock if necessary to allow a short-form merger under Delaware law, which would not require a stockholder vote. The Merger is subject to customary conditions.

The Merger might be delayed or prevented if a court or other governmental authority were to block the merger or make it illegal. If the Merger is delayed or otherwise not consummated within the contemplated time periods or at all, we could suffer a number of consequences that may adversely affect our business, results of operations and stock price, including:

- activities related to the merger and related uncertainties may lead to a loss of revenue and market position that we may not be able to regain if the proposed transaction does not occur;

- the market price of our common stock could decline following an announcement that the proposed transaction had been abandoned or delayed;

- because Purchaser would own a substantial majority of our common stock, there may not be an active trading market for our remaining shares of common stock and we may not be able to sustain our NASDAQ listing;

- we would remain liable for our costs related to the proposed transaction, including substantial legal, accounting and investment banking expenses; and

- we may not be able to take advantage of alternative business opportunities or effectively respond to competitive pressures.

Lawsuits have been filed against us, our Board, JLL, Parent and Purchaser arising out of our proposed acquisition by JLL, and if not settled or otherwise resolved, they may result in additional costs and distraction.

Starting on February 1, 2013, several purported stockholders of BioClinica have filed complaints styled as class action lawsuits in the Court of Chancery of the State of Delaware (the Court of Chancery) against

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BioClinica, Inc., the BioClinica board of directors, JLL Partners, Inc., BioCore Holdings, Inc. and BC Acquisition Corp. The complaints allege, among other things, that the board of directors of BioClinica conducted an unfair sales process resulting in an unfair consideration to the BioClinica stockholders in the Offer, and certain lawsuits allege that the information disclosed about the transaction was inadequate and omitted material information. The complaints assert that BioClinica s board members breached their fiduciary duties in agreeing to the Offer and that BioClinica, JLL, Parent and Purchaser aided and abetted in the breaches of fiduciary duties. In addition, certain lawsuits bring claims against the board of directors for breach of fiduciary duty for materially misleading and inadequate disclosures. The lawsuits seek to enjoin the Offer and seek other equitable relief and unspecified monetary damages. BioClinica and the BioClinica board of directors believe the claims are without merit and intend to defend them vigorously.

If these lawsuits are not resolved at an early stage, they could divert the attention of our management and employees from our day-to-day business and otherwise adversely affect us financially.

Risks Related to Our Company and Business

We may incur financial losses because contracts may be delayed or terminated or reduced in scope for reasons beyond our control.

Our clients may terminate or delay their contracts for a variety of reasons, including, but not limited to:

- unexpected or undesired clinical results;
- the client s decision to terminate the development of a particular product or to end a particular study;
- insufficient patient enrollment in a study;
- insufficient investigator recruitment;
- failure to perform our obligations under the contract; or
- the failure of products to satisfy safety requirements.

In addition, we believe that companies that are regulated by the United States Food and Drug Administration, or FDA, may proceed with fewer clinical trials or conduct them without assistance of contract service organizations if they are trying to reduce costs as a result of cost containment pressures associated with healthcare reform, budgetary limits or changing priorities. These factors may cause such companies to cancel contracts with contract service organizations.

We cannot assure you that our clients will continue to use our services or that we will be able to replace, in a timely or effective manner, departing clients with new clients that generate comparable revenues. Further, we cannot assure you that our clients will continue to generate consistent amounts of revenues over time.

The loss, reduction in scope or delay of a large contract or the loss or delay of multiple contracts could materially adversely affect our business.

We depend on a small number of industries and clients for all of our business, and the loss of one such significant client could cause revenues to drop quickly and unexpectedly.

We depend on research and development expenditures by pharmaceutical, biotechnology and medical device companies to sustain our business. Our operations could be materially and adversely affected if:

- our clients businesses experience financial problems or are affected by a general economic downturn;
- consolidation in the pharmaceutical, biotechnology or medical device industries leads to a smaller client

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base for us; or

- clients reduce their research and development expenditures.

Contracts with one client, Pfizer Inc., which encompassed 24 projects, represented 18.7% of our service revenues for the year ended December 31, 2012. Contracts with Pfizer, Inc., which encompassed 21 projects, represented 19.8% of our service revenues for the year ended December 31, 2011. The loss of business from a significant client or our failure to continue to obtain new business to replace completed or cancelled projects would have a material adverse effect on our business and revenues.

Our contracted/committed backlog may not be indicative of future results.

Our reported contracted/committed backlog of $122.2 million at December 31, 2012 is based on anticipated service revenue from uncompleted projects with clients. Backlog is the expected service revenue that remains to be earned and recognized on signed and verbally agreed to contracts. Contracts included in backlog are subject to termination by our clients at any time. In the event that a client cancels a contract, we would be entitled to receive payment for all services performed up to the cancellation date and subsequent client authorized services related to the cancellation of the project. The duration of the projects included in our backlog range from less than three months to seven years. We cannot assure you that this backlog will be indicative of future results. A number of factors may affect backlog, including:

- the variable size and duration of the projects (some are performed over several years);
- the loss or delay of projects;
- the change in the scope of work during the course of a project; and
- the cancellation of such contracts by our clients.

Also, if clients delay projects, the projects will remain in backlog, but will not generate revenue at the rate originally expected. Accordingly, the historical relationship of backlog to revenues may not be indicative of future results.

We made one acquisition in the first quarter 2010, two acquisitions in the third quarter of 2009, and may engage in future acquisitions, which may be expensive and time consuming, and from which we may not realize anticipated benefits.

On March 25, 2010, we acquired substantially all of the assets of privately held TranSenda International, LLC, headquartered in Bellevue, WA. In the third quarter of 2009, we acquired the CardioNow unit from AGFA Healthcare and substantially all of the assets of Tourtellotte Solutions, Inc. and may acquire additional businesses, technologies and products if we determine that these additional businesses, technologies and products complement our existing business, or otherwise serve our strategic goals. Either as a result of the recent acquisitions or future acquisitions undertaken, the process of integrating the acquired business, technology or product may result in operating difficulties and expenditures, and may absorb significant management attention that would otherwise be available for ongoing development of our business. Moreover, we may never realize the anticipated benefits of any such acquisition. Such acquisitions could result in potentially dilutive issuances of our securities, the incurrence of debt and contingent liabilities and amortization expenses related to intangible assets, all of which could adversely affect our results of operations and financial condition.

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Loss of key personnel, or failure to attract and retain additional personnel, may cause the success and growth of our business to suffer.

Future success depends on the personal efforts and abilities of the principal members of our senior management to provide strategic direction, develop business, manage operations and maintain a cohesive and stable environment. Specifically, we are dependent upon Mark L. Weinstein, President and Chief Executive Officer, Ted I. Kaminer, Executive Vice President of Finance and Administration and Chief Financial Officer, Garry Johnson, Executive Vice President and Chief Technology Officer and Peter Benton, Executive Vice President, President of eClinical Solutions. Although we have employment agreements with Mr. Weinstein, Mr. Kaminer and Mr. Benton, this does not necessarily mean that they will remain with us. Although we have executive retention agreements with our officers, we do not have employment agreements with any other key personnel. Furthermore, our performance also depends on our ability to attract and retain management and qualified professional and technical operating staff. Competition for these skilled personnel is intense. The loss of services of any key executive, or inability to continue to attract and retain qualified staff, could have a material adverse effect on our business, results of operations and financial condition. We do not maintain any key employee insurance on any of our executives.

We may not be able to effectively manage our international operations.

We maintain facilities in France, the Netherlands and India, and we may continue to expand our international operations in the future. There are significant risks associated with the establishment of foreign operations, including, but not limited to: geopolitical risks, foreign currency exchange rates and the impact of shifts in the U.S. and local economies on those rates, compliance with local laws and regulations, the protection of our intellectual property and that of our customers, the ability to integrate our corporate culture with local customs and cultures, and the ability to effectively and efficiently supply our international facilities with the required equipment and materials. If we are unable to effectively manage these risks, these locations may not produce the revenues, earnings, or strategic benefits that we anticipate which could have a material adverse affect on our business.

Our revenues, earnings and operating costs are exposed to exchange rate fluctuations.

During the year ended December 31, 2012, a portion of our service revenues were denominated in foreign currency. Our financial statements are denominated in United States dollars. In the event a greater portion of our service revenues are denominated in a foreign currency, changes in foreign currency exchange rates could affect our results of operations and financial condition. Fluctuations in foreign currency exchange rates could materially impact the operating costs of our European facilities in Leiden, the Netherlands and Lyon, France, which are primarily Euro denominated.

We may be required to record additional significant charges to earnings if our goodwill becomes impaired.

Under accounting principles generally accepted in the United States, we review our goodwill for impairment each year as of December 31 and when events or changes in circumstances indicate the carrying value may not be recoverable. The carrying value of our goodwill may not be recoverable due to factors such as a decline in stock price and market capitalization, reduced estimates of future cash flows and slower growth rates in our industry. Estimates of future cash flows are based on an updated long-term financial outlook of our operations. However, actual performance in the near-term or long-term could be materially different from these forecasts, which could impact future estimates. For example, a significant decline in our stock price and/or market capitalization may result in impairment of our goodwill valuation. We may be required to record a charge to earnings in our financial statements during a period in which an impairment of our goodwill is determined to exist, which may negatively impact our results of operations.

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Our software products and hosted solutions are at varying stages of market acceptance and the failure of any of our products to achieve or maintain wide acceptance would harm our operating results.

We began offering our electronic data capture software solution for clinical trials in March 2008. Continued use of our current electronic data capture software products, and broad and timely acceptance of newly-introduced electronic data capture software products, as well as integrated solutions combining one or more of our software products, is critical to our future success and is subject to a number of significant risks, some of which are outside our control. These risks include:

- our customers and prospective customers desire for and acceptance of our electronic data capture, clinical data management, drug safety and interactive response technology solutions;
- our ability to meet product development and release schedules;
- our software products and hosted solutions ability to support large numbers of users and manage vast amounts of data;
- our ability to significantly expand our internal resources and increase our capital and operating expenses to support the anticipated growth and continued integration of our software products, services and hosted solutions; and
- our customers ability to use our software products and hosted solutions, train their employees and successfully deploy our technology in their clinical trial and safety evaluation and monitoring activities.

Our failure to address, mitigate or manage these risks would seriously harm our business, particularly if the failure of any or all of our software products or hosted solutions to achieve market acceptance negatively affects our sales of our other products and services.

We may be unable to adequately protect, and we may incur significant costs in defending, our intellectual property and other proprietary rights or in defending claims that we are infringing upon the intellectual property rights of others.

Our success depends on our ability to protect our intellectual property and other proprietary rights. We rely upon a combination of trademark, trade secret, copyright, patent and unfair competition laws, as well as license agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring certain of our employees and consultants to enter into confidentiality, non-competition and assignment of inventions agreements. To the extent that our intellectual property and other proprietary rights are not adequately protected, third parties might gain access to our proprietary information, develop and market products or services similar to ours or use trademarks similar to ours, each of which could materially harm our business. Existing U.S. federal and state intellectual property laws offer only limited protection. Moreover, the laws of other countries in which we market our software products, services and hosted solutions may afford little or no effective protection of our intellectual property. If we are involved in legal proceedings to enforce our intellectual property rights, to determine the validity and scope of the intellectual property or other proprietary rights of others or to defend against claims of infringement by third parties, the proceedings could be burdensome and expensive, even if we were to prevail. Any potential infringement actions brought against us could require us to stop using the product or service which incorporates such third party intellectual property, obtain a license to use such third party intellectual property (which could be costly or unavailable) or redesign our products or services that incorporate such third party intellectual property (which could be time consuming and costly and affect the market acceptance of such product or service). The failure to adequately protect our intellectual property and other proprietary rights or acknowledge third party intellectual property rights may have a material adverse effect on our business, results of operations or financial condition.

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Risks Related to Our Industry

Our failure to compete effectively in our industry could cause our revenues to decline.

Significant factors in determining whether we will be able to compete successfully include:

- consultative and clinical trials design capabilities;
- reputation for on-time quality performance;
- expertise and experience in specific therapeutic areas;
- the scope of service offerings;
- strength in various geographic markets;
- the price of services;
- ability to acquire, process, analyze and report data in a time-saving and accurate manner;
- ability to manage large-scale clinical trials both domestically and internationally;
- our size;
- the service and product offerings of our competitors; and
- our ability to upgrade our products, services and hosted solutions so such offerings are not deemed obsolete in comparison to the service and product offerings of our competitors.

If our services are not competitive based on these or other factors, our business, financial condition and results of operations could be materially harmed.

The biopharmaceutical services industry is highly competitive, and we face numerous competitors in our business, including hundreds of CROs. If we fail to compete effectively, we will lose clients, which would cause our business to suffer. We primarily compete against in-house departments of pharmaceutical companies, full service CROs, small specialty CROs, and to a lesser extent, universities and teaching hospitals. Some of these competitors have substantially greater capital, technical and other resources than we do. In addition, certain of our competitors that are smaller specialized companies may compete effectively against us because of their concentrated size and focus.

Changes in outsourcing trends in the pharmaceutical and biotechnology industries could adversely affect our operating results and growth rate.

Service revenues depend greatly on the expenditures made by the pharmaceutical and biotechnology industries in research and development. Accordingly, economic factors and industry trends that affect our clients in these industries also affect our business. For example, the practice of many companies in these industries has been to hire outside organizations like us to conduct clinical research projects. This practice has grown significantly in the last decade, and we have benefited from this trend. However, if this trend were to change and companies in these industries were to reduce the number of research and development projects they outsource, our business could be materially adversely affected.

Additionally, numerous governments have undertaken efforts to control growing healthcare costs through legislation, regulation and voluntary agreements with medical care providers and pharmaceutical companies. If future regulatory cost containment efforts limit the profits that can be derived from new drug sales, our clients might reduce their research and development spending, which could reduce our business.

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Consolidation among our customers could cause us to lose customers, decrease the market for our products and result in a reduction of our revenues.

Our customer base could decline because of industry consolidation, and we may not be able to expand sales of our products and services to new customers. Consolidation in the pharmaceutical, biotechnology and medical device industries has accelerated in recent years, and we expect this trend to continue. As these industries consolidate, competition to provide products and services to industry participants will become more intense and the importance of establishing relationships with large industry participants will become greater. These industry participants may try to use their market power to negotiate price reductions for our products and services. Also, if consolidation of larger current customers occurs, the combined organization may represent a larger percentage of business for us and, as a result, we are likely to rely more significantly on the combined organization s revenues to continue to achieve growth.

The current extended economic downturn coupled with the current regulatory environment could have a negative impact on the pharmaceutical, biotechnology and medical device industries.

The current extended economic downturn and adverse conditions in the national and global markets may negatively affect our operations in the future. Our revenues are contingent upon the research and development expenditures by pharmaceutical, biotechnology and medical device companies. Some companies in these industries have found it difficult to raise capital in the equity and debt markets or through traditional credit markets to fund research and development. In addition, increased regulatory scrutiny from the FDA may have increased the costs of research and development for these companies. These companies have responded to the current extended economic downturn and regulatory environment by postponing, attenuating or cancelling clinical trials projects, or portions thereof, which may reduce the need for our services. As a result, our revenues may be similarly decreased. Furthermore, while our revenues may decrease, our costs may remain relatively fixed, resulting in decreased earnings.

Failure to comply with existing regulations could result in increased costs to complete clinical trials.

Our business is subject to numerous governmental regulations, primarily relating to pharmaceutical product development and the conduct of clinical trials. In particular, we are subject to 21 CFR Part 11 of the Code of Federal Regulations that provides the criteria for acceptance by the FDA of electronic records. If we fail to comply with these governmental regulations, it could result in the termination of ongoing clinical research or the disqualification of data for submission to regulatory authorities. We also could be barred from providing clinical trial services in the future or be subjected to fines. Any of these consequences would harm our reputation, our prospects for future work and our operating results.

We may be affected by health care reform.

In March 2010, the United States Congress enacted health care reform legislation intended over time to expand health insurance coverage and impose health industry cost containment measures. This legislation may significantly impact the pharmaceutical and biotechnology industries. In addition, the U.S. Congress, various state legislatures and European and Asian governments may consider various types of health care reform in order to control growing health care costs. We are presently uncertain as to the effects of the legislation on our business and are unable to predict what legislative proposals will be adopted in the future, if any.

Implementation of health care reform legislation may have certain benefits but also may contain costs that could limit the profits that can be made from the development of new drugs. This could adversely affect research and development expenditures by pharmaceutical and biotechnology companies, which could in turn decrease the business opportunities available to us both in the United States and abroad. In addition, new laws or regulations may create a risk of liability, increase our costs or limit our service offerings.

In addition to healthcare reform legislation, the expansion of managed care organizations in the

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healthcare market may result in reduced spending on research and development. Managed care organizations efforts to cut costs by limiting expenditures on pharmaceuticals and medical devices could result in pharmaceutical, biotechnology and medical device companies spending less on research and development. If this were to occur, we would have fewer business opportunities and our revenues could decrease, possibly materially.

Changes in governmental regulation could decrease the need for the services we provide, which would negatively affect our future business opportunities.

Governmental agencies throughout the world, but particularly in the United States, strictly regulate the drug development/approval process. Our business involves helping pharmaceutical and biotechnology companies navigate the regulatory drug approval process. Changes in regulation, such as relaxation in regulatory requirements or the introduction of simplified drug approval procedures or an increase in regulatory requirements that we may have difficulty satisfying could eliminate or substantially reduce the need for our services. If these changes in regulations were to occur, our business, results of operations and financial condition could be materially adversely affected. These and other changes in regulation could have a material adverse impact on our available business opportunities.

If governmental agencies do not accept the data and analyses generated by our services, the need for our services would be eliminated or substantially reduced.

The success of our business is dependent upon continued acceptance by the FDA and other regulatory authorities of the data and analyses generated by our services in connection with the evaluation of the safety and efficacy of new drugs and devices. The FDA has formal guidelines that encourage the use of surrogate measures through submission of digital image data, for evaluation of drugs to treat life-threatening or debilitating conditions. We cannot assure you that the FDA or other regulatory authorities will accept the data or analyses generated by us in the future and, even assuming acceptance, the FDA or other regulatory authorities may not require the application of imaging techniques to the number of patients and over time periods substantially similar to those required of traditional safety and efficacy techniques. If the governmental agencies do not accept data and analyses generated by our services in connection with the evaluation of new drugs and devices, the need for our services would be eliminated or substantially reduced, and, as a result, our business, results of operations and financial condition could be materially adversely affected.

In the course of conducting our business, we possess or could be deemed to possess personal medical information in connection with the conduct of clinical trials. If we fail to keep this information properly protected we could be subject to significant liability.

Our software solutions are used to collect, manage and report information in connection with the conduct of clinical trial and safety evaluation and monitoring activities. This information is or could be considered to be personal medical information of the clinical trial participants or patients. Regulation of the use and disclosure of personal medical information is complex and growing. Increased focus on individuals rights to confidentiality of their personal information, including personal medical information, could lead to an increase of existing and future legislative or regulatory initiatives giving direct legal remedies to individuals, including rights to damages, against entities deemed responsible for not adequately securing such personal information. In addition, courts may look to regulatory standards in identifying or applying a common law theory of liability, whether or not that law affords a private right of action. Since we receive and process personal information of clinical trial participants and patients from customers utilizing our hosted solutions, there is a risk that we could be liable if there were a breach of any obligation to a protected person under contract, standard of practice or regulatory requirement. If we fail to properly protect this personal information that is in our possession or deemed to be in our possession, we could be subjected to significant liability.

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We may be exposed to liability claims as a result of our involvement in clinical trials.

We may be exposed to liability claims as a result of our involvement in clinical trials. We cannot assure you that liability claims will not be asserted against us as a result of work performed for our clients. We maintain liability insurance coverage in amounts that we believe are sufficient for the pharmaceutical services industry. Furthermore, we cannot assure you that our clients will agree to indemnify us, or that we will have sufficient insurance to satisfy any such liability claims. If a claim is brought against us and the outcome is unfavorable to us, such outcome could have a material adverse impact on us.

In the event we are unable to satisfy regulatory requirements relating to internal control over financial reporting, or if these internal controls are not effective, our business and financial results may suffer.

Effective internal controls are necessary for us to provide reasonable assurance with respect to our financial reports and to effectively prevent fraud. If we cannot provide reasonable assurance with respect to our financial reports and effectively prevent fraud, our brand and operating results could be harmed. Pursuant to the Sarbanes-Oxley Act of 2002, we are required to furnish a report by management on internal control over financial reporting, including management s assessment of the effectiveness of such control. Internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed, we could fail to meet our reporting obligations, and there could also be a material adverse effect on our stock price.

Risks Related to Our Common Stock

Your percentage ownership and voting power and the price of our common stock may decrease as a result of events that increase the number of our outstanding shares.

As of December 31, 2012, we had the following capital structure (in thousands):

Common stock outstanding	15,656
Common stock issuable upon:	
Exercise of options which are outstanding	1,586
Exercise of options which have not been granted	850
Restricted stock units outstanding	657
Total common stock outstanding assuming exercise or conversion of all of the above	18,749

As of December 31, 2012, we had outstanding options to purchase 1.6 million shares of common stock at exercise prices ranging from $2.80 to $8.06 per share (exercisable at a weighted average price of $5.39 per share), of which 1.2 million options were then exercisable. Exercise of our outstanding options into shares of our

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common stock may significantly and negatively affect the market price for our common stock as well as decrease your percentage ownership and voting power. In addition, we may conduct future offerings of our common stock or other securities with rights to convert the securities into shares of our common stock. As a result of these and other events, such as future acquisitions, that increase the number of our outstanding shares, your percentage ownership and voting power and the price of our common stock may decrease.

Shares of our common stock eligible for public sale may have a negative impact on its market price.

Future sales of shares of our common stock by existing holders of our common stock or by holders of outstanding options, upon the exercise thereof, could have a negative impact on the market price of our common stock. As of December 31, 2012, we had 15.7 million shares of our common stock issued and outstanding, substantially all of which are currently freely tradable. As additional shares of common stock become available for resale in the public market pursuant to registration statements and releases of lock-up agreements, the market supply of shares of common stock will increase, which could also decrease its market price.

We are unable to estimate the number of shares that may be sold because this will depend on the market price for our common stock, the personal circumstances of the sellers and other factors. Any sale of substantial amounts of our common stock or other securities in the open market may adversely affect the market price of our securities and may adversely affect our ability to obtain future financing in the capital markets as well as create a potential market overhang.

There are a limited number of stockholders who have significant control over our common stock, allowing them to have significant influence over the outcome of all matters submitted to our stockholders for approval, which may conflict with our interests and the interests of our other stockholders.

Our directors, officers and principal stockholders (stockholders owning 10% or more of our common stock), including Covance Inc., beneficially owned 20% of the outstanding shares of common stock and restricted stock units and stock options that could have been converted to common stock at December 31, 2012, and such stockholders will have significant influence over the outcome of all matters submitted to our stockholders for approval, including the election of our directors and other corporate actions. In addition, such influence by these affiliates could have the effect of discouraging others from attempting to take us over, thereby increasing the likelihood that the market price of the common stock will not reflect a premium for control.

Because we do not intend to pay dividends, stockholders will benefit from an investment in our common stock only if it appreciates in value.

We have never declared or paid any cash dividends on our common stock. We currently intend to retain our future earnings, if any, to finance further research and development and do not expect to pay any cash dividends in the foreseeable future. As a result, the success of an investment in our common stock will depend upon any future appreciation in its value. There is no guarantee that our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares.

Trading in our common stock may be volatile, which may result in substantial declines in its market price.

The market price of our common stock has experienced historical volatility and might continue to experience volatility in the future in response to quarter-to-quarter variations in:

- operating results;
- analysts reports;

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- market conditions in the industry;
- changes in governmental regulations; and
- changes in general conditions in the economy or the financial markets.

The overall market (including the market for our common stock) has also experienced significant decreases in value in the past. This volatility and potential market decline could affect the market prices of securities issued by many companies, often for reasons unrelated to their operating performance, and may adversely affect the price of our common stock. Between January 1, 2013 and February 5, 2013, our common stock has traded at a low of $5.50 per share and a high of $7.29 per share. Between January 1, 2012 and December 31, 2012, our common stock traded at a low of $4.22 per share and a high of $6.59 per share.

Our common stock began trading on the NASDAQ Global Market, formerly called the NASDAQ National Market, on December 18, 2003 and has a limited trading market. We cannot assure that an active trading market will develop or, if developed, will be maintained. As a result, our stockholders may find it difficult to dispose of shares of our common stock and, as a result, may suffer a loss of all or a substantial portion of their investment.

Certain provisions of our stockholder rights plan, charter and Delaware law could make a takeover more difficult and may also make it difficult for our stockholders to replace or remove our board of directors

We have an authorized class of 3,000,000 shares of undesignated preferred stock, of which 1,250,000 shares were previously issued and converted into common stock and 36,000 shares designated as Series A Junior Participating Preferred Stock under our stockholder rights plan as previously disclosed. The remaining 1,714,000 shares may be issued by our board of directors, on such terms and with such rights, preferences and designations as the board of directors may determine. Issuance of such preferred stock, depending upon the rights, preferences and designations thereof, may have the effect of delaying, deterring or preventing a change in control of our company. In addition, we are subject to provisions of Delaware corporate law which, subject to certain exceptions, will prohibit us from engaging in any business combination with a person who, together with affiliates and associates, owns 15% or more of our common stock for a period of three years following the date that the person came to own 15% or more of our common stock, unless the business combination is approved in a prescribed manner. Our board of directors also adopted a stockholder rights plan, dated as of July 20, 2009, as amended and restated on March 23, 2011, similar to plans adopted by many other publicly traded companies. The stockholder rights plan is intended to protect stockholders against unsolicited attempts to acquire control of us that do not offer a fair price to our stockholders as determined by our board of directors. On January 29, 2013, we amended our stockholder rights plan to make it inapplicable to the Merger, the Merger Agreement and the transactions contemplated thereby. Such amendment also contemplates that the stockholder rights plan will terminate at the effective time of the Merger.

These provisions of our certificate of incorporation, stockholders rights plan and of Delaware law, may have the effect of delaying, deterring or preventing a change in control of our company, may discourage bids for our common stock at a premium over market price and may adversely affect the market price, and the voting and other rights of the holders, of our common stock.

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Item 1B. **Unresolved Staff Comments.**

None.

Item 2. **Properties.**

We lease 58,681 square feet of office space located in Newtown, Pennsylvania. This lease expires November 2018 and provides for a fixed base rent of $105,140 per month with an annual inflation increase. We also lease 45,422 square feet of office space in Audubon, Pennsylvania for $80,590 per month in base rent, which expires January 2019. In addition, we lease 11,730 square feet of office space in Leiden, the Netherlands and another 6,265 square feet in Lyon, France. These leases are denominated in Euros and expire in April 2013 and May 2017, respectively. The base rent for the Netherlands is $20,910 per month and the base rent for Lyon is $14,140, based upon the conversion rate as of December 31, 2012, with an annual inflation increase. We periodically review our office space requirements and may increase the amount of office space we lease as needed.

Item 3. **Legal Proceedings.**

Starting on February 1, 2013, several purported stockholders of BioClinica have filed complaints styled as class action lawsuits in the Court of Chancery of the State of Delaware (the   Court of Chancery) against BioClinica, Inc., the BioClinica board of directors, JLL Partners, Inc., BioCore Holdings, Inc. and BC Acquisition Corp. The complaints allege, among other things, that the board of directors of BioClinica conducted an unfair sales process resulting in an unfair consideration to the BioClinica stockholders in the Offer, and certain lawsuits allege that the information disclosed about the transaction was inadequate and omitted material information. The complaints assert that BioClinica s board members breached their fiduciary duties in agreeing to the Offer and that BioClinica, JLL, Parent and Purchaser aided and abetted in the breaches of fiduciary duties. In addition, certain lawsuits bring claims against the board of directors for breach of fiduciary duty for materially misleading and inadequate disclosures. The lawsuits seek to enjoin the Offer and seek other equitable relief and unspecified monetary damages.

Item 4. **Mine Safety Disclosures**

Not applicable.

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PART II

Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

On July 8, 2009, our stockholders approved an amendment to our Certificate of Incorporation, as amended, to change our name from Bio-Imaging Technologies, Inc. to BioClinica, Inc. and to change our stock symbol from BITI to BIOC . Our common stock began trading on the NASDAQ Global Market, formerly called the NASDAQ National Market, on December 18, 2003 under the symbol BITI and now trades under the symbol BIOC . Prior to listing on the NASDAQ Global Market, our common stock was traded on the American Stock Exchange under the symbol BIT from February 25, 2003 until December 18, 2003. Our common stock was quoted on the NASD OTC Bulletin Board under the symbol BITI prior to being listed on the American Stock Exchange.

The following table sets forth the high and low sales prices for our common stock as reported on the NASDAQ Global Market for each full quarterly period within the two most recent fiscal years. Such quotations reflect interdealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Quarter Ended	Common Stock High	Low
March 31, 2011	5.60	4.20
June 30, 2011	5.60	4.76
September 30, 2011	5.16	4.40
December 31, 2011	4.85	4.10
March 31, 2012	5.80	4.22
June 30, 2012	6.16	4.70
September 30, 2012	6.59	4.80
December 31, 2012	6.52	4.60

As of January 31, 2013, the number of holders of record of our common stock was 69 and the approximate number of beneficial holders, investors who hold our shares through brokers, of our common stock was 2,400.

We have neither paid nor declared dividends on our common stock since our inception and do not plan to pay dividends on our common stock in the foreseeable future. We expect that any earnings which we may realize will be retained to finance our growth.

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The following table provides information as of December 31, 2012 with respect to the shares of our common stock that may be issued under our existing equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans that have been approved by security holders	1,585,808	$ 5.39	850,249
Equity compensation plans not approved by security holders			
Total	1,585,808	$ 5.39	850,249

The following table provides information relating to our repurchase of common stock in the fourth quarter of 2012:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (1)
October 1 October 31, 2012	4,500	$ 5.94	4,500	$ 1,518,057
November 1 November 30, 2012	2,000	$ 5.94	2,000	$ 1,506,123
December 1 December 31, 2012				$ 1,506,123
Total	6,500		6,500	

(1) On December 17, 2010, our Board of Directors authorized $2 million in funds for use in our common stock repurchase program over the following 18 months. On May 16, 2012 our Board of Directors extended our common stock repurchase program through December 31, 2013 and increased the authorized funds to $4 million. Repurchases under the program may be made through open market purchases or privately negotiated transactions in accordance with applicable federal securities laws, including Rule 10b-18. The timing of the repurchases and the exact number of shares of common stock to be purchased will be determined by the discretion of our management, and will depend upon market conditions and other factors. The program will be funded using our cash on hand and cash generated from operations. The program may be extended, suspended or discontinued at any time.

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STOCK PRICE PERFORMANCE GRAPH

Our common stock is listed for trading on the NASDAQ Global Market under the symbol BIOC . The Stock Price Performance Graph set forth below compares the cumulative total stockholder return on the common stock for the period from December 31, 2007 through December 31, 2012, with the cumulative total return of the NASDAQ U.S. Stock Index and the NASDAQ Health Services Index over the same period. The comparison assumes $100 was invested on December 31, 2007 in our common stock, in the NASDAQ U.S. Stock Index and in the NASDAQ Health Services Index and assumes reinvestment of dividends, if any.

	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012
BioClinica, Inc.	100.00	45.30	52.35	52.35	52.60	70.79
NASDAQ U.S. Stock Index	100.00	48.23	69.27	82.23	104.95	123.88
Nasdaq Health Services Index	100.00	73.03	96.56	116.40	110.24	131.82

Source: CRSP NASDAQ Monthly Historical Industry Indexes. Copyright© NASDAQ. All rights reserved

The foregoing Stock Price Performance Graph and related information shall not be deemed soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

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Item 6. Selected Financial Data.

The following table presents selected consolidated financial data. This data is derived from historical financial information and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related footnotes included in this Form 10-K.

For the years ended,

(in thousands, except per share data and number of employees)

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
CONTINUING OPERATIONS					
Service revenue	$ 79,002	$ 67,993	$ 62,714	$ 57,393	$ 56,181
Total revenue	98,278	83,964	75,188	72,723	69,116
Income from continuing operations before interest and taxes	6,508	4,374	4,318	4,688	8,480
Income from continuing operations, net of taxes	3,727	2,798	2,753	2,959	5,791
Basic earnings per share:					
Income from continuing operations	0.24	0.18	0.18	0.21	0.42
Diluted earnings per share:					
Income from continuing operations	0.23	0.17	0.17	0.20	0.40
Weighted average shares used to calculate earnings per share:					
Basic	15,626	15,652	15,035	14,354	13,752
Diluted	16,486	16,432	15,874	15,100	14,469
FINANCIAL POSITION					
Cash, cash equivalents	$ 13,915	$ 12,575	$ 10,443	$ 14,570	$ 14,265
Working capital	14,392	11,555	8,606	7,302	7,918
Total assets	101,006	90,421	80,029	75,337	69,208
Other liabilities	1,512	1,574	2,766	2,162	641
Stockholders equity	62,464	58,060	54,879	48,535	43,412
OTHER DATA					
Purchases of property and equipment and capitalized software development costs	$ 8,904	$ 5,767	$ 7,193	$ 4,258	$ 2,916
Depreciation and amortization	5,251	4,597	3,452	2,711	2,266
Number of employees	585	522	475	479	474
Restructuring charges	839	1,719		466	

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Item 7. **Management s Discussion and Analysis of Financial Condition and Results of Operations.**

Overview

BioClinica provides integrated clinical research technology solutions to pharmaceutical, biotechnology, medical device companies and other organizations such as contract research organizations, or CROs, engaged in global clinical studies. Our products and services include: medical image management, electronic image transport and archive solutions, electronic data capture, clinical data management, interactive voice and web response, clinical trial supply forecasting tools and clinical trial management software solutions. By supplying enterprise-class software and hosted solutions accompanied by expert services to fully utilize these tools, we believe that our offerings provide our clients, large and small, improved speed and efficiency in the execution of clinical studies, with reduced clinical and business risk.

Market for our Services

Our vision is to build critical mass in the complementary disciplines of clinical research related to data collection and processing especially those which can benefit from our information technology products and support services and to integrate them in ways that yield efficiency and value for our clients. Our goal is to provide demonstrable benefits to sponsor clients through this strategy, that is, faster and less expensive drug development. We believe that the outsourcing of these services should continue to increase in the future because of increased pressure on clients, including factors such as: the need to more tightly manage costs, capacity limitations, reductions in marketing exclusivity periods, the desire to reduce development time, increased globalization of clinical trials, productivity challenges, imminent patent expirations and more stringent regulation. We believe these trends will continue to create opportunities for companies like BioClinica that are focused on improving the efficiency of drug and medical device development.

Sales and Backlog

Our sales cycle, referring to the period from the presentation by us to a potential client to the engagement of us by such client, has historically ranged from three to twelve months. In addition, the contracts under which we perform services typically cover a period of three months to seven years, and the volume and type of services performed by us generally vary during the course of a project. We cannot assure you that our project revenues will be at levels sufficient to maintain profitability.

Our contracted/committed backlog, referred to as backlog, is the expected service revenue that remains to be earned and recognized on both signed and verbally agreed to contracts. In addition, our costs may increase to service our increased backlog. Our backlog as of December 31, 2012 was $122.2 million, compared to $123.1 million at December 31, 2011. Changes in backlog for the period reflect the net effect of new contract signings, addendums, cancellations, expansions, and reductions in scope of existing projects, all of which impacted our backlog at December 31, 2012.

Contracts included in backlog are subject to termination by our clients at any time. In the event that a contract is cancelled by the client, we would be entitled to receive payment for all services performed up to the cancellation date. The duration of the projects included in our backlog range from less than three months to 60 months. We do not believe that backlog is a reliable predictor of future results because service revenues may be incurred in a given period on contracts that were not included in the previous reporting period s backlog and/or

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contract cancellations or project delays may occur in a given period on contracts that were included in the previous reporting period s backlog.

Acquisitions and Dispositions

On March 25, 2010, we acquired substantially all of the assets of privately held TranSenda International, LLC, or TranSenda. Headquartered in Bellevue, WA, TranSenda was a provider of CTMS solutions. TranSenda s suite of web-based, Office-Smart CTMS solutions create efficiencies for trial operations through interoperability with Microsoft Office tools. The CTMS solutions enable our clients to have their applications work together instead of being locked into a single suite vendor and serves as the foundation for operational data interchange among different software applications. This facilitates easier access to data with a consistent user interface and reduces training costs. With this acquisition, we enhanced our ability to serve customers throughout the clinical research process with technologies that include improved efficiencies by reducing study durations and costs through integrated operational management. The acquisition was made pursuant to an Asset Purchase Agreement, dated March 25, 2010, by and between BioClinica and TranSenda, or the Purchase Agreement. Pursuant to the terms of the Purchase Agreement, we purchased and acquired from TranSenda all right, title and interest of TranSenda in and to the Purchased Assets (as defined in the Purchase Agreement) and assumed the Assumed Liabilities (as defined in the Purchase Agreement) of TranSenda.

As consideration for the Purchased Assets and Assumed Liabilities, we paid 577,960 shares of common stock, par value $0.00025 per share, of the Company, valued at a volume weighted average price per share equal to $4.32556, and subject to a post-closing adjustment based on the Final Closing Net Working Capital (as defined in the Purchase Agreement). Pursuant to the terms of the Purchase Agreement, 15% of the aggregate consideration is to be held in escrow to cover any potential indemnification claims under the Purchase Agreement for a period of 12 months following the Closing Date (as defined in the Purchase Agreement, which was subsequently released). As part of the Purchase Agreement, TranSenda agreed not to directly or indirectly offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of BioClinica s common stock received pursuant to the Purchase Agreement for a period beginning on the date the Purchase Agreement was executed and continuing to and including the date 12 months after such date. We recorded the fair value of the acquisition of $2,468,000 based on our market value of $4.27 on March 25, 2010, the date of acquisition.

On September 15, 2009, BioClinica acquired substantially all of the assets of Tourtellotte Solutions, Inc., or Tourtellotte. Tourtellotte provided software applications and consulting services which support clinical trials in the pharmaceutical industry. The purchase price for Tourtellotte was $2.1 million in cash. Pursuant to the acquisition agreement, we agreed to pay up to an additional $3.2 million in cash and 350,000 shares of our common stock based upon achieving certain milestones, which include certain product development and revenue targets, hereinafter referred to as the earn-out . In December 2010, pursuant to obtaining certain milestones, we paid to the sellers of Tourtellotte, $1.2 million in cash and 350,000 shares of our common stock and in November 2012 we paid $2,000,000 of the remaining earn-out. At December 31, 2012, we had no further obligations under the earn-out for the Tourtellotte acquisition. We used cash from operations to fund the cash purchase price for Tourtellotte.

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Recent Events

On January 30, 2013, it was announced that affiliates of JLL, including Parent and Purchaser, entered into the Merger Agreement with us whereby Parent will acquire us. The acquisition will be carried out in two steps. The first step is the tender offer by Purchaser to purchase all of our outstanding shares of common stock at a price of $7.25 per share, payable net to the seller in cash. Unless subsequently extended, the Tender Offer will expire on March 11, 2013 at 12:00 midnight New York City time.

Following the successful completion of the Tender Offer, Purchaser will be merged with the Company, and all shares of our common stock not purchased in the Tender Offer (other than shares held by Purchaser or its affiliates or the Company and dissenting shares) will be converted into the right to receive $7.25 in cash per share of our common stock. In addition, under the terms of the Merger Agreement, Purchaser is granted an option to acquire up to one share more than 90% of our issued and outstanding common stock if necessary to allow a short-form merger under Delaware law, which would not require a stockholder vote. The Merger is subject to customary conditions.

Forward Looking Statements

Certain matters discussed in this Form 10-K are forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be identified by, among other things, the use of forward-looking terminology such as believes , expects , may , should or anticipates or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In particular, our statements regarding: our projected financial results; the demand for our services and technologies; growing recognition for the use of independent medical image review services; trends toward the outsourcing of imaging services in clinical trials; realized return from our marketing efforts; increased use of digital medical images in clinical trials; integration of our acquired companies and businesses; expansion into new business segments; the success of any potential acquisitions and the integration of current acquisitions; and the level of our backlog are examples of such forward-looking statements. The forward-looking statements include risks and uncertainties, including, but not limited to, the timing of revenues due to the variability in size, scope and duration of projects, estimates made by management with respect to our critical accounting policies, regulatory delays, clinical study results which lead to reductions or cancellations of projects and other factors, including general economic conditions and regulatory developments, not within our control. The factors discussed in this Form 10-K and expressed from time to time in our filings with the SEC could cause actual results and developments to be materially different from those expressed in or implied by such statements. The forward-looking statements are made only as of the date of this filing, and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Critical Accounting Policies, Estimates and Risks

Our discussion and analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in accordance with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including the recoverability of tangible and intangible assets, disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

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On an on-going basis, we evaluate our estimates. The most significant estimates relate to the recognition of revenue and profits based on the proportional performance method of accounting for fixed service contracts, accounting for acquisitions and the related goodwill and intangible assets, capitalization of software development costs, income taxes and fair value accounting for stock based compensation.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our Consolidated Financial Statements:

Revenue. Service revenues are recognized over the contractual term of our customer contracts using the proportional performance method. Service revenues are first recognized when we have a signed contract from a customer which: (i) contain fixed or determinable fees; (ii) collectability of such fees is reasonably assured; and (iii) services are performed. Any change to recognized service revenue as a result of revisions to estimated total hours are recognized in the period the estimate changes.

We enter into service contracts that contain fixed or determinable fees. The fees in the contracts are based on the scope of work we are contracted to perform; there are unitized fees per service and fixed fees with a total estimated for the contract based upon the estimated unitized service expected to be performed, as well as the service to be delivered under the fixed fee component of the contract. The units are estimated based on the information provided by the customer, and we bill the customer for actual units completed in accordance with the terms of the contract. In the event that a contract is cancelled by the client, we would be entitled to receive payment for all services performed up to the cancellation date.

We, at the request of our clients, directly contract with and pay independent radiologists, referred to as Readers, who review the client s imaging data as part of the clinical trial. The costs of the Readers and other out-of-pocket expenses are reimbursed to us and recognized gross as reimbursement revenues.

We also enter into software license contracts that permit the customer to use our software products at its site. Generally, these contracts are multiple-element arrangements since they usually provide for professional services and ongoing software maintenance. In these instances, license fees are recognized upon the signing of the contract and delivery of the software if the license fee is fixed or determinable, collection is probable, and there is sufficient vendor specific evidence of the fair value of each undelivered element. Revenue for the software maintenance is recognized over the duration of the maintenance period.

When contracts include both professional services and software and require a significant amount of program modification or customization, installation, systems integration or related services, the professional services and license revenue is recorded based upon the estimated percentage of completion, measured in the manner described above. Changes in the estimated costs or hours to complete the contract and losses, if any, are reflected in the period during which the change or loss becomes known.

Goodwill and Other Intangible Assets, Net. Goodwill is not amortized; instead, it is tested for impairment annually (at December 31st) or more frequently if indicators of impairment exist or if a decision is made to sell a business. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include a decline in expected cash flows, a significant adverse change in legal factors or in the business climate, unanticipated competition, or slower growth rates, among others. It is important to note that fair values that could be realized in an actual transaction may differ from those used to evaluate the impairment of goodwill.

Goodwill is allocated among and evaluated for impairment at the reporting level unit, which is defined as an operating segment or one level below an operating segment. BioClinica has one operating segment, clinical trial services, which is a single reporting unit.

We use a discounted cash flow model to estimate the current fair value of the reporting unit when testing for impairment, as management believes forecasted cash flows are the best indicator of such fair value. A number of significant assumptions and estimates are involved in the application of the discounted cash flow model to forecast operating cash flows, including revenue growth rate, operating profit margins, discount rate, tax rates, capital spending, and working capital changes. We consider market participant assumptions in estimating fair value of the reporting unit. Revenue growth rate and operating profit assumptions are consistent with those utilized in our operating plan and long-term financial planning process. Management judgment is required in the determination of each assumption utilized in the valuation model, and actual results could differ from the estimates. At December 31, 2012, we conducted the required annual test of impairment. In 2012, the estimated fair value of the clinical trial services reporting unit was in excess of its carrying values, resulting in no impairment.

Income Taxes. We evaluate the need to record a valuation allowance to reduce our deferred tax assets to an amount that is more likely than not to be realized. In assessing the need for the valuation allowance, we consider our future taxable income and on-going prudent and feasible tax planning strategies. In the event that we were to determine that, in the future, we would be able to realize our deferred tax assets in excess of its net recorded amount, an adjustment to the deferred tax asset would be made, thereby increasing net income in the period such determination was made. Likewise, should we determine that it is more likely than not that we will be unable to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged, thereby decreasing net income in the period such determination was made. We recognize contingent liabilities for any tax related exposures when those exposures are more likely than not to occur.

Foreign Currency Risks

Our financial statements are denominated in U.S. dollars. Fluctuations in foreign currency exchange rates could materially increase the operating costs of our facilities in the Netherlands and France, which are Euro denominated. A ten percent increase or decrease in the Euro to U.S. dollar spot exchange rate would result in a change of $73,000 and $87,000 to our net asset position, at December 31, 2012 and December 31, 2011, respectively. In addition, certain of our contracts are denominated in foreign currency. We believe that any adverse fluctuation in the foreign currency markets relating to these costs will not result in any material adverse effect on our financial condition or results of operations. In the event we derive a greater portion of our service revenues from international operations, factors associated with international operations, including changes in foreign currency exchange rates, could affect our results of operations and financial condition.

Our foreign currency financial assets and liabilities primarily consist of cash, trade receivables, prepaid expenses, fixed assets, trade payables and accrued expenses. We were in a net asset position at December 31, 2012 and December 31, 2011. An increase in the exchange rate would result in less net assets when converted to U.S. dollars. Conversely, if we were in a net liability position, a decrease in the exchange rate would result in more net liabilities when converted to U.S. dollars.

We enter into foreign currency contracts with financial institutions to reduce the risk that our cash flows and earnings will be adversely affected by foreign currency exchange rate fluctuations. In accordance with our current foreign exchange rate risk management policy, our program is not designated for trading or speculative purposes.

We recognize derivative instruments as either assets or liabilities in the accompanying Consolidated Balance Sheets at fair value. See Note 4 of the Consolidated Financial Statements.

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Results of Operations

Year Ended December 31, 2012 Compared with Year Ended December 31, 2011.

	2012	% of Total Revenue	2011	% of Total Revenue	$ Change	% Change
Service revenues	$ 79,002	80.4%	$ 67,993	81.0%	$ 11,009	16.2%
Reimbursement revenues	19,276	19.6%	15,971	19.0%	3,305	20.7%
Total revenues	98,278	100.0%	83,964	100.0%	14,314	17.0%
Costs and expenses						
Cost of service revenues	48,639	49.5%	42,217	50.3%	6,422	15.2%
Cost of reimbursement revenues	19,276	19.6%	15,971	19.0%	3,305	20.7%
Sales and marketing expenses	10,732	10.9%	8,726	10.4%	2,006	23.0%
General and administrative expenses	11,560	11.8%	10,172	12.1%	1,388	13.6%
Amortization of intangible assets related to acquisition	534	0.5%	623	0.7%	(89)	-14.3%
Mergers and acquisitions related costs	190	0.2%	162	0.2%	28	17.3%
Restructuring costs	839	0.9%	1,719	2.0%	(880)	-51.2%
Total cost and expenses	91,770	93.4%	79,590	94.8%	12,180	15.3%
Operating income	6,508	6.6%	4,374	5.2%	2,134	48.8%
Interest income	10	0.0%	8	0.0%	2	25.0%
Interest expense	(114)	-0.1%	(48)	-0.1%	(66)	137.5%
Income before income tax	6,404	6.5%	4,334	5.2%	2,070	47.8%
Income tax provision	(2,677)	-2.7%	(1,536)	-1.8%	(1,141)	74.3%
Net income	$ 3,727	3.8%	$ 2,798	3.3%	$ 929	33.2%

Service revenues were $79.0 million for fiscal 2012 and $68.0 million for fiscal 2011, an increase of $11.0 million, or 16.2%. The increase in service revenues was due to an increase in work performed as a result of growth from our eClinical solutions, including our full service EDC, Trident IWR and OnPoint CTMS as well as an increase in our medical imaging solutions offering. Pfizer, Inc., encompassing 24 projects, represented 18.7% of our service revenue for fiscal 2012. Pfizer, Inc., encompassing 21 projects, represented 19.8% of our service revenue for fiscal 2011.

Reimbursement revenues and cost of reimbursement revenues were $19.3 million for fiscal 2012 and $16.0 million for fiscal 2011, an increase of $3.3 million, or 20.7%. Reimbursement revenues and cost of reimbursement revenues consist of payments received from the customer for reimbursable costs. Reimbursement revenues and cost of reimbursement revenues fluctuate significantly over the course of any given project, and quarter to quarter variations are a reflection of project timing. Therefore, our management believes that reimbursement revenues and cost of reimbursement revenues are not a significant indicator of our overall performance trends. At the request of our clients, we may directly pay the independent radiologists who review our client s imaging data. In such cases, per contractual arrangement, these costs are billed to our clients and are included in reimbursement revenues and cost of reimbursement revenues.

Cost of service revenues were $48.6 million for fiscal 2012 and $42.2 million for fiscal 2011, an increase of $6.4 million, or 15.2%. Cost of service revenues for fiscal 2012 and fiscal 2011 were comprised of professional salaries and benefits and allocated overhead. The increase is primarily attributable to the additional

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personnel to support the growth of our Trident IWR, OnPoint CTMS and full service Express EDC solutions. The cost of revenues as a percentage of total revenues also fluctuates due to work-flow variations in the utilization of staff and the mix of services provided by us in any given period. We expect that our cost of service revenues will increase for the remainder of fiscal 2013 due to increased servicing costs to support the growth of our Trident IWR, OnPoint CTMS and full service Express EDC.

Sales and marketing expenses were $10.7 million for fiscal 2012 and $8.7 million for fiscal 2011, an increase of $2.0 million or 23.0%. Sales and marketing expenses for fiscal 2012 and fiscal 2011 were comprised of direct sales and marketing costs, salaries and benefits and allocated overhead. The increase is due to additional sales personnel and related costs as we expand our sales efforts for our eClinical product in the U.S. and Europe. We expect that our sales and marketing costs will increase for fiscal 2013.

General and administrative expenses were $11.6 million for fiscal 2012 and $10.2 million for fiscal 2011, an increase of $1.4 million or 13.56%. General and administrative expenses for fiscal 2012 and fiscal 2011 consisted primarily of salaries and benefits, allocated overhead, professional and consulting services and corporate insurance. The increase is due to increased information technology personnel and costs to support our technology needs. We expect that our general and administrative expenses will increase for fiscal 2013.

Amortization of intangible assets related to acquisitions was $534,000 for fiscal 2012 and $623,000 for fiscal 2011, a decrease of $89,000, or 14.3%. Amortization of intangible assets related to acquisitions consisted primarily of amortization of customer backlog, customer relationships, software and non-compete intangibles acquired from the acquisitions of PDS, Tourtellotte, TranSenda and Theralys. The decrease is primarily due to the completion of the amortization of the Theralys assets. We expect that the amortization of intangible assets related to acquisitions will decrease for fiscal 2013 due to the completion of amortization of certain intangible assets.

Restructuring costs were $839,000 for fiscal 2012 and $1.7 million for fiscal 2011. In 2012, we initiated a change in reporting structure and changes of roles and responsibilities within our operations that resulted in elimination of certain positions and resulted in a total restructuring charge of $839,000. This restructuring charge was comprised of $695,000 in employee severance, $5,000 in office space restructuring and $139,000 in legal and other costs. As a result of the restructuring, the Company expects to realize annual operating expense savings of $1.0 million. The launch of our BioPacs imaging management system and the release of our integrated BioRead image review software further enhances the quality of our imaging corelab service offering and has enabled us to gain efficiencies by better utilizing resources across our U.S. and European operations. As a result, in 2011, we realigned our global resources to eliminate certain duplicate functions and took a total restructuring charge of $1.7 million for fiscal 2011. This restructuring charge was comprised of $656,000 in employee severance, $884,000 write-off of facility lease obligations and $179,000 in legal and other costs.

Merger and acquisition related costs were $190,000 for fiscal 2012, compared to $162,000 for fiscal 2011. Fiscal 2012 costs primarily consist of legal and consulting fees related to our assessment of potential strategic alternatives throughout 2012. Fiscal 2011 includes $114,000 for the accretion related to the change in the fair value of the second earn-out payment associated with the Tourtellotte acquisition.

Net interest expense was $104,000 for fiscal 2012 compared to $40,000 for fiscal 2011, an increase of $64,000. Interest income is comprised of interest income earned on our cash balance and interest expense is comprised of interest expense incurred on equipment lease obligations. The increase in expense is due to the capital lease obligations we entered into during 2012 and 2011.

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Our income tax provision was $2.7 million for fiscal 2012 and $1.5 million for fiscal 2011. Our effective tax rate was 42% for fiscal 2012 and 35% for fiscal 2011. The increase from the prior year is due to not including the federal credit for research and experimentation and the state tax apportionment. Our 2012 effective tax rate would have been lower by approximately 3% if Congress had enacted the legislation to extend the federal credit for research and experimentation by December 31, 2012. In addition, 1.4% of the increase is due to the change in estimate of the federal credit for research and experimentation with the filing in September 2012 of our annual tax returns for the year ending 2011.

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Results of Operations

Year Ended December 31, 2011 Compared with Year Ended December 31, 2010.

	2011	% of Total Revenue	2010	% of Total Revenue	$ Change	% Change
Service revenues	$ 67,993	81.0%	$ 62,714	83.4%	$ 5,279	8.4%
Reimbursement revenues	15,971	19.0%	12,474	16.6%	3,497	28.0%
Total revenues	83,964	100.0%	75,188	100.0%	8,776	11.7%
Costs and expenses						
Cost of service revenues	42,217	50.3%	39,559	52.6%	2,658	6.7%
Cost of reimbursement revenues	15,971	19.0%	12,474	16.6%	3,497	28.0%
Sales and marketing expenses	8,726	10.4%	9,004	12.0%	(278)	-3.1%
General and administrative expenses	10,172	12.1%	8,446	11.2%	1,726	20.4%
Amortization of intangible assets related to acquisition	623	0.7%	638	0.8%	(15)	-2.4%
Mergers and acquisitions related costs	162	0.2%	749	1.0%	(587)	-78.4%
Restructuring costs	1,719	2.0%		0.0%	1719	
Total cost and expenses	79,590	94.8%	70,870	94.3%	8,720	12.3%
Operating income	4,374	5.2%	4,318	5.7%	56	1.3%
Interest income	8	0.0%	23	0.0%	(15)	-65.2%
Interest expense	(48)	-0.1%	(12)	0.0%	(36)	300.0%
Income before income tax	4,334	5.2%	4,329	5.8%	5	0.1%
Income tax provision	(1,536)	-1.8%	(1,576)	-2.1%	40	-2.5%
Net income	$ 2,798	3.3%	$ 2,753	3.7%	$ 45	1.6%

The Consolidated Statement of Income for the twelve months ended December 31, 2010 excludes the financial results of TranSenda from the acquisition date of March 25, 2010 through March 31, 2010 due to immateriality of TranSenda s results of operations for that period.

Service revenues were $68.0 million for fiscal 2011 and $62.7 million for fiscal 2010, an increase of $5.3 million, or 8.4%. The increase in service revenues was due to an increase in work performed on the increased backlog from the prior year. Pfizer, Inc., encompassing 21 projects, represented 19.8% of our service revenue for fiscal 2011. Pfizer, Inc., encompassing 22 projects, represented 19.9% of our service revenue for fiscal 2010.

Reimbursement revenues and cost of reimbursement revenues were $16.0 million for fiscal 2011 and $12.5 million for fiscal 2010, an increase of $3.5 million, or 28.0%. Reimbursement revenues and cost of reimbursement revenues consist of payments received from the customer for reimbursable costs. Reimbursement revenues and cost of reimbursement revenues fluctuate significantly over the course of any given project, and quarter to quarter variations are a reflection of this project timing. Therefore, our management believes that reimbursement revenues and cost of reimbursement revenues are not a significant indicator of our overall performance trends. At the request of our clients, we may directly pay the independent radiologists who review our client s imaging data. In such cases, per contractual arrangement, these costs are billed to our clients and are included in reimbursement revenues and cost of reimbursement revenues.

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Cost of service revenues were $42.2 million for fiscal 2011 and $39.6 million for fiscal 2010, an increase of $2.6 million, or 6.7%. Cost of service revenues for fiscal 2011 and fiscal 2010 were comprised of professional salaries and benefits and allocated overhead. The increase is primarily attributable to the additional personnel to support the growth of our Trident IWR and OnPoint CTMS products. The cost of revenues as a percentage of total revenues also fluctuates due to work-flow variations in the utilization of staff and the mix of services provided by us in any given period.

Sales and marketing expenses were $8.7 million for fiscal 2011 and $9.0 million for fiscal 2010, a decrease of $278,000 or 3.1%. Sales and marketing expenses for fiscal 2011 and fiscal 2010 were comprised of direct sales and marketing costs, salaries and benefits and allocated overhead. The decrease is due to our hiring of marketing personnel to incur less external marketing costs.

General and administrative expenses were $10.2 million for fiscal 2011 and $8.4 million for fiscal 2010, an increase of $1.7 million or 20.4%. General and administrative expenses for fiscal 2011 and fiscal 2010 consisted primarily of salaries and benefits, allocated overhead, professional and consulting services and corporate insurance. The increase is due to increased information technology personnel and costs to support our technology needs.

Amortization of intangible assets related to acquisitions was $623,000 for fiscal 2011 and $638,000 for fiscal 2010, a decrease of $15,000, or 2.4%. Amortization of intangible assets related to acquisitions consisted primarily of amortization of customer backlog, customer relationships, software and non-compete intangibles acquired from the acquisitions of PDS, Tourtellotte, TranSenda and Theralys. The decrease is primarily due to the completion of the amortization of the Theralys assets. We expect that the amortization of intangible assets related to acquisitions will decrease for fiscal 2012 due to the completion of amortization of certain intangible assets.

Restructuring costs were $1.7 million for fiscal 2011 and $0 for fiscal 2010. The launch of our BioPacs imaging management system and the release of our integrated BioRead image review software further enhances the quality of our imaging corelab service offering and has enabled us to gain efficiencies by better utilizing resources across our U.S. and European operations. As a result, in 2011, we realigned our global resources to eliminate certain duplicate functions and took a total restructuring charge of $1.7 million for fiscal 2011. This restructuring charge was comprised of $656,000 in employee severance, $884,000 write-off of facility lease obligations and $179,000 in legal and other costs.

Merger and acquisition related costs were $162,000 for fiscal 2011 and $749,000 for fiscal 2010, a decrease of $587,000, or 78.4%. Fiscal 2010 included expenses resulting directly from merger and acquisition activities for the TranSenda acquisition such as legal, accounting and other due diligence and integration costs. Fiscal 2011 includes $114,000 for the accretion related to the change in the fair value of the second earn-out payment associated with the Tourtellotte acquisition.

Net interest expense was $40,000 for fiscal 2011 compared to $11,000 of interest income for fiscal 2010, a decrease of $51,000. Interest income is comprised of interest income earned on our cash balance and interest expense is comprised of interest expense incurred on equipment lease obligations. The increase in expense is due to the capital lease obligations we entered into during 2011.

Our income tax provision was $1.5 million for fiscal 2011 and $1.6 million for fiscal 2010. Our effective tax rate was 35% for fiscal 2011 and 36% for fiscal 2010. The lower effective tax rate in fiscal 2011 is due to the credits for increasing research activities partially offset by a New Jersey state tax assessment related to prior years.

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Liquidity and Capital Resources

Our principal liquidity requirements have been, and we expect will be, for working capital and general corporate purposes, including capital expenditures.

Statement of Cash Flow for the year ended December 31, 2012 compared to December 31, 2011 and December 31, 2010.

(in thousands)		**2012**		**2011**		**2010**
Net cash provided by activities from continuing operations	$	9,853	$	7,726	$	3,992
Net cash used in investing activities from continuing operations	$	(10,904)	$	(5,767)	$	(8,450)
Net cash provided by financing activities from continuing operations	$	2,378	$	197	$	348

At December 31, 2012, we had cash and cash equivalents of $13.9 million. Working capital, defined as current assets minus current liabilities, at December 31, 2012 was $14.4 million as compared to working capital of $11.6 million at December 31, 2011 and $8.6 million at December 31, 2010.

Net cash provided by continuing operating activities was $9.9 million for fiscal 2012 compared to net cash provided by operating activities of $7.7 million for fiscal 2011. This increase from the prior year is primarily due to the increase in net income of $900,000 and improved management of working capital.

Net cash used in investing activities was $10.9 million for fiscal 2012 and $5.8 million for fiscal 2011. This increase is primarily due to the cash payment of $2.0 million for the TranSenda acquisition earn-out and an increase of $2.0 million in computer equipment purchases for our data center in 2012.

Net cash provided by financing activities was $2.4 million for fiscal 2012 compared to net cash provided by financing activities of $197,000 for fiscal 2011. The difference from the prior year was primarily due to our entering into $3.9 million of sale/leaseback transactions to finance the purchase of property and equipment in 2012 offset by the purchase of treasury shares for $1.4 million in fiscal 2012.

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The following table lists our cash contractual obligations as of December 31, 2012:

			Payments Due By Period		
(in thousands)		**Less than 1**			**More than**
Contractual obligations	**Total**	**year**	**1-3 years**	**3-5 years**	**5 years**
Facility rent operating leases	29,370	2,940	5,530	5,353	15,547
Employment agreements	1,552	977	575		
Capital lease	5,124	1,176	2,457	1,491	
Total contractual cash obligations	$ 36,046	$ 5,093	$ 8,562	$ 6,844	$ 15,547

On May 5, 2010, we entered into a two year unsecured, committed line of credit with PNC Bank and have renewed this two year line of credit annually. In April 2012, the Company again extended the expiration date of this line of credit to May 4, 2014. Under the credit agreement, we have the ability to borrow $7.5 million at interest rates equal to LIBOR plus 1.75%. In addition, we pay a fee of 0.25% per annum on the loan commitment regardless of usage. The credit agreement requires our compliance with certain covenants, including maintaining a minimum stockholders equity of $35 million. As of December 31, 2012, we had no borrowings under this line of credit, and we were compliant with the covenants.

Capital lease obligations consist of nine equipment lease obligations with the same bank at December 31, 2012. In fiscal 2012, we entered into four sale/leaseback transactions totaling $3.9 million whereby we sold and leased back computer equipment and software. The leases are accounted for as a capital lease and resulted in a gain of $147,000 which is deferred over the life of the lease. The lease terms are for five years with interest rates ranging from 3.04% to 3.87% per annum.

On February 22, 2012, the Company entered into an employment agreement with its President and Chief Executive Officer effective February 29, 2012 and expires on February 28, 2015. In addition, the Company has employment agreements with its Chief Financial Officer and the President of eClinical Solutions. The Chief Financial Officer s agreement expires February 24, 2014 and is renewable on an annual basis. The President of eClinical Solutions agreement expires September 30, 2013 and is renewable on an annual basis. The aggregate amount payable from January 1, 2013 through the expiration under these agreements is $1.5 million.

We have neither paid nor declared dividends on our common stock since our inception and do not plan to pay dividends on our common stock in the foreseeable future.

We have not entered into any off-balance sheet transactions, arrangements or other relationships with unconsolidated entities or other persons that are likely to affect liquidity or the availability of or requirements for capital resources.

We anticipate that our existing capital resources together with cash flow from operations will be sufficient to meet our cash needs for the next 12 months. However, we cannot assure you that our operating results will maintain profitability on an annual basis in the future. The inherent operational risks associated with the following factors may have a material adverse effect on our future liquidity:

- our ability to gain new client contracts;
- project cancellations;
- the variability of the timing of payments on existing client contracts; and
- other changes in our operating assets and liabilities.

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We may seek to raise additional capital from equity or debt sources in order to take advantage of unanticipated opportunities, such as more rapid expansion, acquisitions of complementary businesses or the development of new services. We cannot assure you that additional financing will be available, if at all, on terms acceptable to us.

Recently Issued Accounting Statements

In September 2011, the Financial Accounting Standards Board (FASB) issued authoritative guidance that allows an entity to use a qualitative approach to test goodwill for impairment. Under this guidance, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. In addition, an entity has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. This guidance is effective for BioClinica s goodwill impairment tests performed at December 31, 2012 and does not have a material impact on the Company s consolidated financial statements.

In December 2011, the FASB issued an accounting standards update that will require us to disclose information about offsetting and related arrangements associated with certain financial and derivative instruments to enable users of our financial statements to better understand the effect of those arrangements on our financial position. The new guidance will be applicable to us for fiscal years, and interim periods within those years, beginning after January 1, 2013. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In July 2012, the FASB issued an accounting standards update with new guidance on annual impairment testing of indefinite-lived intangible assets. The standards update allows an entity to first assess qualitative factors to determine if it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. If based on its qualitative assessment an entity concludes it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount, quantitative impairment testing is required. However, if an entity concludes otherwise, quantitative impairment testing is not required. The standards update is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In January 2013, the FASB issued ASU 2013-01, *Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities* which provides further clarification relating to the scope of ASU 2011-11, *Balance Sheet (Topic 210): Disclosure about Offsetting Assets and Liabilities*. Effective for fiscal years beginning on or after January 1, 2013, ASU 2011-11 requires an entity to include additional disclosures about financial instruments and transactions eligible for offset in the statement of financial position, as well as financial instruments subject to a master netting agreement or similar arrangement. ASU 2013-01 added further scope clarification that ASU 2011-11 applies to derivatives, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset or subject to an enforceable master netting arrangement or similar agreement. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements. This ASU will be effective for fiscal years beginning on or after January 1, 2013, including interim periods within those fiscal years.

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In February 2013, the FASB issued amendments to the accounting guidance for presentation of comprehensive income to improve the reporting of reclassifications out of accumulated other comprehensive income. The amendments do not change the current requirements for reporting net income or other comprehensive income, but do require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where the net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under GAAP that provide additional detail about these amounts. For public companies, these amendments are effective prospectively for reporting periods beginning after December 15, 2012. Other than a change in presentation, we do not believe the adoption of this guidance will have a material impact on our consolidated financial statements.

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Item 7a. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We invest in high-quality financial instruments, comprised of savings accounts, certificate of deposits and money market funds. Due to the short-term nature of our investments, we do not believe that we have any material exposure to interest rate risk arising from our investments.

Foreign Currency Risk

Most of our sales are denominated in U.S. Dollars but we have costs denominated in Euros for our Netherlands and France subsidiaries. This exposes us to the risk of fluctuations in foreign currency exchange rates. A ten percent increase or decrease in the Euro to U.S. dollar spot exchange rate would result in a change of $73,000 and $87,000 to our net asset position, at December 31, 2012 and December 31, 2011, respectively. We purchase foreign exchange option contracts to reduce the volatility of cash flows related to forecasted expenses denominated in Euros. The objective of the foreign exchange contracts is to better ensure that the U.S. dollar-equivalent cash flows are not adversely affected by changes in the U.S. dollar/Euro exchange rates. These contracts are designated as cash flow hedges. The gain on the effective portion of a cash flow hedge is initially reported as a component of Other Comprehensive Income and subsequently reclassified into expenses on the Consolidated Statements of Income when the hedge transactions occurs.

During 2012, we entered into twelve foreign currency call options designated as cash flow hedges to hedge certain forecasted expenses in our Netherlands and France offices denominated in Euros. The notional principal of the foreign currency call options to purchase 2.0 million Euros was $2.6 million U.S. Dollars at December 31, 2012. The remaining foreign currency call options mature monthly between January 2013 and August 2013. We paid a total premium in 2012 of $86,000 for these foreign currency call options.

We initially report any gain or loss on the effective portion of the cash flow hedge as a component of Other Comprehensive Income and subsequently reclassify to the Cost of Service Revenue in the Consolidated Statements of Income when the hedged transactions occur. Any ineffectiveness is recognized in earnings immediately. At December 31, 2012, the effective portion of our cash flow hedges, before tax effect, was $(5,000). During 2012, four of the cash flow hedge transactions occurred and we reclassified $15,000 of the loss to our Consolidated Statement of Income.

See Management s Discussion and Analysis of Financial Condition and Results of Operations - Foreign Currency Risks for a more detailed discussion of our foreign currency risks and exposures.

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Item 8. Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors

And Stockholders of

BioClinica, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, stockholders equity, and cash flows, present fairly, in all material respects, the financial position of BioClinica, Inc. and its subsidiaries at December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Philadelphia, PA
February 22, 2013

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BIOCLINICA, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands)	December 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13,915	$ 12,575
Accounts receivable, net	22,620	16,353
Prepaid expenses and other current assets	1,858	1,743
Deferred income taxes	4,519	5,637
Total current assets	42,912	36,308
Property and equipment, net	21,463	16,186
Intangibles, net	1,274	1,808
Goodwill	34,302	34,302
Deferred income tax		1,021
Other assets	1,055	796
Total assets	$ 101,006	$ 90,421
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	$ 5,630	$ 2,422
Accrued expenses and other current liabilities	6,807	5,944
Deferred revenue	14,907	13,438
Deferred income tax		526
Current maturities of capital lease obligations	1,176	423
Current liability for acquisition earn-out		2,000
Total current liabilities	28,520	24,753
Long-term capital lease obligations	3,948	1,535
Deferred income tax	4,562	4,499
Other liabilities	1,512	1,574
Total liabilities	$ 38,542	$ 32,361
Stockholders equity		
Preferred stock - $0.00025 par value; authorized 3,000,000 shares, none issued and outstanding at December 31, 2012 and at December 31, 2011		
Common stock - $0.00025 par value; authorized 36,000,000 shares, issued and outstanding 15,656,146 shares at December 31, 2012 and 15,649,994 shares at December 31, 2011	4	4
Treasury stock - at cost, shares held: 483,613 at December 31, 2012 and 233,913 at December 31, 2011	(2,479)	(1,126)
Additional paid-in capital	51,599	49,564
Retained earnings	13,317	9,590
Accumulated other comprehensive income	23	28
Total stockholders equity	$ 62,464	$ 58,060
Total liabilities and stockholders equity	$ 101,006	$ 90,421

The accompanying notes are an integral part of these statements.

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BIOCLINICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	For the year ended December 31,		
(in thousands, except per share data)	**2012**	**2011**	**2010**
Service revenues	$ 79,002	$ 67,993	$ 62,714
Reimbursement revenues	19,276	15,971	12,474
Total revenues	98,278	83,964	75,188
Costs and expenses			
Cost of service revenues	48,639	42,217	39,559
Cost of reimbursement revenues	19,276	15,971	12,474
Sales and marketing expenses	10,732	8,726	9,004
General and administrative expenses	11,560	10,172	8,446
Amortization of intangible assets related to acquisition	534	623	638
Mergers and acquisitions related costs	190	162	749
Restructuring costs	839	1,719	
Total cost and expenses	91,770	79,590	70,870
Operating income	6,508	4,374	4,318
Interest income	10	8	23
Interest expense	(114)	(48)	(12)
Income before income tax	6,404	4,334	4,329
Income tax provision	(2,677)	(1,536)	(1,576)
Net income	$ 3,727	$ 2,798	$ 2,753
Basic income per common share	$ 0.24	$ 0.18	$ 0.18
Weighted average number of common shares	15,626	15,652	15,035
Diluted income per common share	$ 0.23	$ 0.17	$ 0.17
Weighted average number of diluted shares	16,486	16,432	15,874

The accompanying notes are an integral part of these statements.

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BIOCLINICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Statement of comprehensive income (in thousands)	**For the year ended December 31, 2012**	**2011**	**2010**
Net income	$ 3,727	$ 2,798	$ 2,753
Equity adjustment from foreign currency translation, net of tax	(24)	3	(54)
Unrealized gain on derivative instruments, net of tax	19		
Total comprehensive income	$ 3,722	$ 2,801	$ 2,699

The accompanying notes are an integral part of these statements.

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BIOCLINICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Treasury Stock	Common Stock Consideration for Earn-out	Accumulated Retained Earnings	Other Comprehensive Gain (Loss)	Stock-holders Equity
Balance at December 31, 2009	14,394	$ 4	$ 43,104	$	$ 1,309	$ 4,039	$ 79	$ 48,535
Stock options exercised	262		122					122
Restricted shares issued	48		(55)					(55)
Stock consideration for acquisitions	350		1,309		(1,309)			
Stock issued for acquisitions	578		2,468					2,468
Stock based compensation			1,080					1,080
Purchase of treasury stock				(16)				(16)
Tax benefit on exercise of stock options			46					46
Equity adjustment from foreign currency translation							(54)	(54)
Net income						2,753		2,753
Balance at December 31, 2010	15,632	$ 4	$ 48,074	$ (16)	$	$ 6,792	$ 25	$ 54,879
Stock options exercised	173		205					205
Restricted shares issued	76		(104)					(104)
Stock based compensation			1,369					1,369
Purchase of treasury stock	(231)			(1,110)				(1,110)
Tax benefit on exercise of stock options			20					20
Equity adjustment from foreign currency translation							3	3
Net income						2,798		2,798
Balance at December 31, 2011	15,650	$ 4	$ 49,564	$ (1,126)	$	$ 9,590	$ 28	$ 58,060
Stock options exercised	171		466					466
Restricted shares issued	85		(225)					(225)
Stock based compensation			1,846					1,846
Purchase of treasury stock	(250)			(1,353)				(1,353)
Tax benefit on exercise of stock options			(52)					(52)
Equity adjustment from foreign currency translation							(24)	(24)
Unrealized gain on derivative instruments							19	19
Net income						3,727		3,727
Balance at December 31, 2012	15,656	$ 4	$ 51,599	$ (2,479)	$	$ 13,317	$ 23	$ 62,464

The accompanying notes are an integral part of these statements.

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BIOCLINICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended December 31,		
(in thousands)	**2012**	**2011**	**2010**
Cash flows from operating activities:			
Net income	$ 3,727	$ 2,798	$ 2,753
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	5,251	4,550	3,443
Provision for deferred income taxes	1,676	295	341
Excess tax benefit related to stock options	(99)	(20)	(46)
Bad debt recovery	10	22	15
Stock based compensation expense	1,846	1,369	1,080
Accretion of acquisition earn-out		114	302
Gain on sale/leaseback	147	47	9
Changes in operating assets and liabilities:			
Increase in accounts receivable	(6,277)	(4,507)	(605)
(Increase) decrease in prepaid expenses and other current assets	(143)	761	(667)
Increase in other assets	(260)	(91)	(67)
Increase (decrease) in accounts payable	2,540	355	(1,848)
Increase (decrease) in accrued expenses and other current liabilities	31	1,294	(251)
Increase (decrease) in deferred revenue	1,469	42	(855)
(Decrease) increase in other liabilities	(65)	697	388
Net cash provided by operating activities	$ 9,853	$ 7,726	$ 3,992
Cash flows from investing activities:			
Purchases of property and equipment	(3,918)	(1,859)	(2,916)
Capitalized software development costs	(4,986)	(3,908)	(4,277)
Net cash paid for acquisition earn-out	(2,000)		(1,257)
Net cash used in investing activities	$ (10,904)	$ (5,767)	$ (8,450)
Cash flows from financing activities:			
Proceeds from sale/leaseback	3,893	1,335	195
Payments under equipment lease obligations	(727)	(253)	
Purchase of treasury stock	(1,353)	(1,110)	(15)
Excess tax benefits related to stock options	99	20	46
Proceeds from exercise of stock options	466	205	122
Net cash provided by financing activities	$ 2,378	$ 197	$ 348
Effect of exchange rate changes on cash	13	(24)	(17)
Net increase (decrease) in cash and cash equivalents	1,340	2,132	(4,127)
Cash and cash equivalents at beginning of period	12,575	10,443	14,570
Cash and cash equivalents at end of period	$ 13,915	$ 12,575	$ 10,443
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	$ 112	$ 47	$ 3
Cash paid during the period for income taxes	$ 1,334	$ 871	$ 1,775

The accompanying notes are an integral part of these statements.

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Supplemental cash flow disclosure

Schedule of non cash investing and financing activities

(in thousands)	For the year ended December 31, 2012	2011	2010
Increase in property, plant and equipment acquisitions in accounts payable	$ 664	$ 354	$ 20
Equipment purchases under capital lease obligations	$ 3,893	$ 1,335	$ 892

Acquired business

(in thousands)	For the year ended December 31, 2012	2011	2010
Accounts receivable	$	$	$ 309
Property and equipment			91
Other assets			58
Intangible assets and goodwill			2,469
Current liabilities assumed			(459)
Other liabilities assumed			
Common stock issued			(2,468)
Cash paid for acquired business, net of cash acquired of $0, $0 and $0, respectively	$	$	$

The accompanying notes are an integral part of these statements.

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Description of Business

BioClinica provides integrated clinical research technology solutions to pharmaceutical, biotechnology, medical device companies and other organizations such as contract research organizations (CROs), engaged in global clinical studies. Our products and services include: medical image management, electronic image transport and archive solutions, electronic data capture, clinical data management, interactive voice and web response, clinical trial supply forecasting tools, and clinical trial management software solutions. By supplying enterprise-class software and hosted solutions accompanied by expert services to fully utilize these tools, we believe that our offerings provide our clients, large and small, improved speed and efficiency in the execution of clinical studies, with reduced clinical and business risk.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Oxford Bio-Imaging Research, Inc., BioClinica Holding B.V. and BioClinica Private Limited. All intercompany transactions and balances have been eliminated in consolidation.

Foreign Currency Translation

Assets and liabilities of non-U.S. subsidiaries are translated into U.S. dollars at fiscal year-end exchange rates. Income and expense items are translated at average exchange rates prevailing during the fiscal year. The resulting translation adjustments are recorded as a component of stockholders equity. Gains and losses from foreign currency transactions are included in net income.

Functional Currency

The functional currency of each of the Company s foreign operations is the local currency of the country in which the operation is located. All assets and liabilities are translated into U.S. dollars using exchange rates in effect at the balance sheet date. Revenue and expenses are translated using average exchange rates during the period. Increases and decreases in net assets resulting from foreign currency translation are reflected in stockholder s equity as a component of accumulated other comprehensive income (loss).

The equity adjustment from foreign currency translation was $(24,000) and $3,000 at December 31, 2012 and 2011, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Fair Value of Financial Instruments

The carrying values of the Company s financial instruments, which include cash equivalents, accounts receivable, accounts payable and other accrued expenses approximate their fair values due to their short maturities.

Cash and Cash Equivalents

The Company maintains cash in excess of FDIC insurance limits in certain financial institutions. The Company considers cash equivalents to be highly liquid investments with an original maturity of three months or less.

Revenue Recognition

Service revenues are recognized over the contractual term of the Company s customer contracts using the proportional performance method. Service revenues are first recognized when the Company has a signed contract from a customer which: (i) contains fixed or determinable fees; (ii) collectability of such fees is reasonably assured; and (iii) the services were performed. Any change to recognized service revenue as a result of revisions to estimated total hours are recognized in the period the estimate changes.

The Company enters into contracts that contain fixed or determinable fees. The fees in the contracts are based on the scope of work we are contracted to perform; there are unitized fees per service and fixed fees with a total estimated for the contract based upon the estimated unitized service expected to be performed, as well as the service to be delivered under the fixed fee component of the contract. The units are estimated based on the information provided by the customer, and the Company bills the customer for actual units completed in accordance with the terms of the contract. In the event that a contract is cancelled by the client, we would be entitled to receive payment for all services performed up to the cancellation date.

The Company s revenue recognition policy for service contracts entails a number of estimates including an estimate of the total hours that are expected to be incurred on a project, which is used as the basis for determining the portion of the Company s revenue to be recognized for each period. The revenue recognized in any period might have been materially affected if different assumptions or conditions prevailed. The timing of the Company s recognition of revenue would be revised if there were changes in the total estimated hours (other than scope changes in a project which typically result in a revision to the contract). The Company reviews its total estimated hours monthly. Provisions for losses expected to be incurred on contracts are recognized in full in the period in which it is determined that a loss will result from performance of the contractual arrangement.

Unbilled services represent revenue recognized which pursuant to contractual terms have not yet been billed to the client. Amounts become billable pursuant to contractual milestones or in accordance with predetermined payment schedules. Unbilled services are billable within one year from the respective balance sheet date and are usually billed within the next quarter from any balance sheet. Deferred revenue is recorded for cash received from clients for services that have not yet been earned at the respective balance sheet date.

The Company, at the request of its clients, directly contracts with and pays independent

BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

radiologists, referred to as Readers, who review the client s imaging data as part of the clinical trial. The costs of the Readers and other out-of-pocket expenses are reimbursed to the Company and recognized gross as reimbursement revenues.

The Company also enters into software license contracts that permit the customer to use software products at its site. Generally, these contracts are multiple-element arrangements since they usually provide for professional services and ongoing software maintenance. In these instances, license fees are recognized upon the signing of the contract and delivery of the software if the license fee is fixed or determinable, collection is probable, and there is sufficient vendor specific evidence of the fair value of each undelivered element. Revenue for the software maintenance is recognized over the duration of the maintenance period.

When contracts include both professional services and software and require a significant amount of program modification or customization, installation, systems integration or related services, the professional services and license revenue is recorded based upon the estimated percentage of completion, measured in the manner described above. Changes in the estimated costs or hours to complete the contract and losses, if any, are reflected in the period during which the change or loss becomes known.

Allowance For Doubtful Accounts

The Company maintains allowances for doubtful accounts on a specific identification method for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of its customers were to deteriorate, resulting in an impairment of the customers ability to make payments, additional allowances may be required. The Company does not have any off-balance-sheet credit exposure related to its customers and the trade accounts receivable do not bear interest.

(in thousands)	**December 31,**	
	2012	**2011**
Billed trade accounts receivable	21,127	14,070
Unbilled trade accounts receivable	1,374	2,283
Other	119	
Total net receivables	22,620	16,353

Allowance Rollforward:		
Balance at December 31, 2010	$	15
Additions		22
Write offs (net of recoveries)		(15)
Balance at December 31, 2011	$	22
Additions		12
Write offs (net of recoveries)		(22)
Balance at December 31, 2012	$	12

Property and Equipment

Property and equipment is recorded at historical cost and depreciated over the estimated useful lives of the respective assets. Amortization of leasehold improvements is provided for over the lesser of the related lease term or the useful lives of the related assets. The cost and related accumulated

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depreciation of assets fully depreciated, sold, retired or otherwise disposed of are removed from the respective accounts and any resulting gains or losses are included in the statements of income.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets is determined by comparing the estimated undiscounted cash flows of the operations related to the assets to their carrying amount. An impairment loss would be recognized when the carrying amount of the assets exceeds the estimated undiscounted net cash flows. The amount of the impairment loss to be recorded is calculated as the excess of the carrying value of the assets over their fair value, with fair value determined using the best information available, which generally is a discounted cash flow model. The estimated undiscounted net cash flows require significant management judgments.

Capitalized Software Development

Pursuant to ASC 350-40: Internal-Use Software; the Company capitalizes development costs for an internal use software project once the preliminary project stage is completed, management commits to funding the project and it is probable that the project will be completed and the software will be used to perform the function intended. The Company ceases capitalization at such time as the computer software project is substantially complete and ready for its intended use. The determination that a software project is eligible for capitalization and the ongoing assessment of recoverability of capitalized software development costs require considerable judgment by management with respect to certain external factors, including, but not limited to, anticipated future revenue, estimated economic life and changes in software and hardware technologies.

Pursuant to ASC 985-20: Costs of Software to Be Sold, Leased, or Marketed; software development costs related to products that will be sold, leased or marketed to be operated by customers on their equipment and premises, are expensed as incurred and consist primarily of design and development costs of new products and significant enhancements to existing products incurred before the establishment of technological feasibility. Recoverable costs incurred subsequent to technological feasibility of new products and enhancements to existing products as well as costs associated with purchased software and software obtained through business acquisitions are capitalized and amortized over the estimated useful lives of the related products, generally five to ten years (average life is five years), using the straight-line method or the ratio of current revenue to current and anticipated revenue from such software, whichever provides the greater amortization.

The Company capitalized software development costs of $4,986,000, $3,908,000 and $4,277,000 for the years ended December 31, 2012, 2011 and 2010 respectively. Amortization expense related to capitalized computer software costs amounted to $2,460,000, $1,700,000 and $663,000 at December 31, 2012, 2011 and 2010, respectively. Capitalized software development costs are included as a component of property and equipment.

Goodwill and Other Intangible Assets

Goodwill and indefinite-lived intangible assets are tested for impairment at December 31st of each year; however, these tests are performed more frequently when events or changes in circumstances indicate the carrying value may not be recoverable. The Company s fair value methodology is based on quoted market prices, if available. If quoted market prices are not available, an estimate of fair market

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

value is made based on prices of similar assets or other valuation methodologies including present value techniques. Definite-lived intangible assets, such as purchased and licensed technology, patents and customer lists are amortized over their estimated useful lives, generally for periods ranging from two to seven years. The Company continually evaluates the reasonableness of the useful lives of these assets.

Treasury Stock

Shares of common stock repurchased by the Company are recorded at cost as treasury stock and result in a reduction of stockholders equity in the consolidated balance sheets.

Income Taxes

The Company accounts for income taxes under the provisions of FASB ASC 740 Income Taxes, which utilizes the liability method. Deferred taxes are determined based on the estimated future tax effects of differences between the financial statement and tax bases of assets and liabilities at currently enacted tax laws and rates. A valuation allowance is provided against the carrying value of deferred tax assets when management believes it is more likely than not that the deferred tax assets will not be realized. The Company recognizes contingent liabilities for any tax related exposures when those exposures are more likely than not to occur.

Earnings Per Share

FASB ASC 260 Earnings Per Share requires the presentation of basic earnings per share and diluted earnings per share. Basic earnings per common share are calculated by dividing the net income available to Common Stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per common share is calculated by dividing net income by the weighted average number of shares of common stock outstanding, adjusted for the effect of potentially dilutive securities using the treasury stock method.

The computation of basic earnings per common share and diluted earnings per common share is as follows:

	For the year ended December 31,		
(in thousands, except per share data)	**2012**	**2011**	**2010**
Net income basic and diluted	$ 3,727	$ 2,798	$ 2,753

Denominator basic:						
Weighted average number of common shares		15,626		15,652		15,035
Basic income per common share	$	0.24	$	0.18	$	0.18
Denominator diluted:						
Weighted average number of common shares		15,626		15,652		15,035
Incremental shares from assumed conversions of stock based compensation plans		860		780		839
Weighted average number of dilutive common equity shares		16,486		16,432		15,874
Diluted income per common share	$	0.23	$	0.17	$	0.17

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We excluded options to purchase 540,000, 575,000 and 655,000 shares of our common stock for the 12 months ended December 31, 2012, 2011 and 2010, respectively, since they were out-of-the-money and antidilutive.

Recently Issued Accounting Statements

In September 2011, the Financial Accounting Standards Board (FASB) issued authoritative guidance that allows an entity to use a qualitative approach to test goodwill for impairment. Under this guidance, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. In addition, an entity has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. This guidance is effective for BioClinica s goodwill impairment tests performed at December 31, 2012 and does not have a material impact on the Company s consolidated financial statements.

In December 2011, the FASB issued an accounting standards update that will require us to disclose information about offsetting and related arrangements associated with certain financial and derivative instruments to enable users of our financial statements to better understand the effect of those arrangements on our financial position. The new guidance will be applicable to us for fiscal years, and interim periods within those years, beginning after January 1, 2013. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In July 2012, the FASB issued an accounting standards update with new guidance on annual impairment testing of indefinite-lived intangible assets. The standards update allows an entity to first assess qualitative factors to determine if it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. If based on its qualitative assessment an entity concludes it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount, quantitative impairment testing is required. However, if an entity concludes otherwise, quantitative impairment testing is not required. The standards update is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In January 2013, the FASB issued ASU 2013-01, *Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities* which provides further clarification relating to the scope of ASU 2011-11, *Balance Sheet (Topic 210): Disclosure about Offsetting Assets and Liabilities*. Effective for fiscal years beginning on or after January 1, 2013, ASU 2011-11 requires an entity to include additional disclosures about financial instruments and transactions eligible for offset in the statement of financial position, as well as financial instruments subject to a master netting agreement or similar arrangement. ASU 2013-01 added further scope clarification that ASU 2011-11 applies to

BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

derivatives, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset or subject to an enforceable master netting arrangement or similar agreement. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements. This ASU will be effective for fiscal years beginning on or after January 1, 2013, including interim periods within those fiscal years.

In February 2013, the FASB issued amendments to the accounting guidance for presentation of comprehensive income to improve the reporting of reclassifications out of accumulated other comprehensive income. The amendments do not change the current requirements for reporting net income or other comprehensive income, but do require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where the net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under GAAP that provide additional detail about these amounts. For public companies, these amendments are effective prospectively for reporting periods beginning after December 15, 2012. Other than a change in presentation, we do not believe the adoption of this guidance will have a material impact on our consolidated financial statements.

2. Restructuring charges

In 2012, the Company initiated a change in reporting structure and changes of roles and responsibilities within the operations that resulted in elimination of certain positions and resulted in a total restructuring charge of $839,000 for fiscal 2012. This restructuring charge was comprised of $695,000 in employee severance, $5,000 in office space restructuring and $139,000 in legal and other costs. The Company has paid $754,000 of the restructuring cost as of December 31, 2012 and the $85,000 remaining to be paid is included in Accrued Expense and Other Current Liabilities on the Consolidated Balance Sheet.

In 2011, the Company realigned its global resources to eliminate certain duplicate functions and took a total restructuring charge of $1.7 million for the fiscal year ended December 31, 2011. This restructuring charge was comprised of $656,000 in employee severance, $884,000 write-off of facility lease obligations and $179,000 in legal and other costs. The Company has paid $1.6 million of the restructuring cost as of December 31, 2012 and the $102,000 remaining to be paid is included in Accrued Expense and Other Current Liabilities on the Consolidated Balance Sheet. The remaining $102,000 of the unpaid restructuring cost consists of the facility lease obligations that will be paid out over the remaining term of the leases with the last lease payment in March 2013.

3. Acquisitions

TranSenda Acquisition

On March 25, 2010, the Company acquired substantially all of the assets of privately held

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

TranSenda International, LLC (TranSenda). Headquartered in Bellevue, WA, TranSenda was a provider of clinical trial management software (CTMS) solutions. TranSenda s suite of web-based, Office-Smart CTMS solutions creates efficiencies for trial operations through interoperability with Microsoft Office tools. With this acquisition, BioClinica enhanced its ability to serve customers throughout the clinical research process with technologies that include improved efficiencies by reducing study durations and costs through integrated operational management. The acquisition was made pursuant to an Asset Purchase Agreement, dated March 25, 2010, by and between the Company and TranSenda (the Purchase Agreement). Pursuant to the terms of the Purchase Agreement, the Company purchased and acquired from TranSenda all rights, title and interest of TranSenda in and to the Purchased Assets (as defined in the Purchase Agreement) and assumed the Assumed Liabilities (as defined in the Purchase Agreement) of TranSenda.

As consideration for the Purchased Assets and Assumed Liabilities, the Company paid 577,960 shares of common stock, par value $0.00025 per share, of the Company, valued at a volume weighted average price per share equal to $4.32556, and subject to a post-closing adjustment based on the Final Closing Net Working Capital (as defined in the Purchase Agreement). Pursuant to the terms of the Purchase Agreement, 15% of the aggregate consideration is to be held in escrow to cover any potential indemnification claims under the Purchase Agreement for a period of 12 months following the Closing Date (as defined in the Purchase Agreement). As part of the Purchase Agreement, TranSenda agreed not to directly or indirectly offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of the Company s common stock received pursuant to the Purchase Agreement for a period beginning on the date the Purchase Agreement was executed and continuing to and including the date 12 months after such date. The Company recorded the fair value of the acquisition of $2,468,000 based on the Company s market value of $4.27 for the stock consideration on March 25, 2010, the date of acquisition.

Pro Forma Results. The following schedule includes consolidated statements of income data for the unaudited pro forma results for the period ended December 31, 2010 as if the TranSenda acquisition had occurred as of the beginning of the periods presented after giving effect to certain adjustments. The unaudited pro forma information is provided for illustrative purposes only and is not indicative of the results of operations or financial condition that would have been achieved if the TranSenda acquisition would have taken place at the beginning of the periods presented and should not be taken as indicative of our future consolidated results of operations or financial condition. Pro forma adjustments are tax-effected at our effective tax rate.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands except per share data)		**(Unaudited) Twelve Months Ended 2010**
Total revenue	$	75,419
Income from operations		3,645
Net Income		2,325
Basic earnings per share	$	0.15
Diluted earnings per share	$	0.15

In connection with the acquisition of TranSenda, the Company performed an evaluation of the guidance included in FASB ASC 280, *Segment Reporting* (FASB ASC 280) and FASB ASC 350, *Intangibles - Goodwill and Other* (FASB ASC 350). Based on that evaluation, the Company included TranSenda as part of its clinical trials services reportable segment.

In accordance with FASB ASC 805, *Business Combinations*, the Company expensed all costs related to the acquisition. The total costs incurred to date related to the acquisition were $23,000 for fiscal 2011 and $447,000 for fiscal 2010 and are included in mergers and acquisition related costs on the consolidated statement of income for fiscal 2011 and 2010.

The following table summarizes the amounts of identified assets acquired and liabilities assumed from TranSenda at the acquisition date fair value:

		TranSenda
Accounts Receivable	$	309
Property and Equipment		91
Other Assets		58
Other Liabilities		(459)
Customer Relationships		100
Technology		1,000
Goodwill, including Workforce		1,369
Total Fair Value of Purchase Price	$	2,468

Accounts receivable, other assets and other liabilities were stated at their historical carrying values, which approximate fair value given the short-term nature of these assets and liabilities. The goodwill is attributable to the workforce of the acquired business and synergies expected to arise after the acquisition of the business.

In accordance with FASB ASC 820, *Fair Value Measurements* (FASB ASC 820), the Company determined that the non-financial assets and liabilities summarized above are derived from

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

significant unobservable inputs (Level 3 inputs) determined by management based on various market and income analyses and recent asset appraisals. The goodwill recorded in connection with these acquisitions will be deductible for tax purposes over 15 years.

The Consolidated Statement of Income for period ended December 31, 2010 excludes the financial results of TranSenda from the acquisition date of March 25, 2010 through March 31, 2010 due to immateriality of TranSenda s results of operations for that period. TranSenda s results of operations are included in the Consolidated Statement of Income beginning April 1, 2010.

Tourtellotte Acquisition

On September 15, 2009, BioClinica acquired substantially all of the assets of Tourtellotte Solutions, Inc. (Tourtellotte). Tourtellotte provides software applications and consulting services which support clinical trials in the pharmaceutical industry. The purchase price for Tourtellotte was $2.1 million in cash. Pursuant to the acquisition agreement, the Company agreed to pay up to an additional $3.2 million in cash and 350,000 shares of our common stock based upon achieving certain milestones, which include certain product development and revenue targets (the earn-out). The fair value of the cash earn-out of $2.8 million had been recorded as a liability and the fair value of the 350,000 shares of $1.3 million had been classified separately within stockholders equity as contingent consideration for a total purchase price of $6.2 million as of December 31, 2009. The Company used cash from operations to fund the cash purchase price for Tourtellotte. In December 2010, pursuant to obtaining certain milestones, we paid to the sellers of Tourtellotte, $1.2 million in cash and 350,000 shares of our common stock and in November 2012 we paid $2,000,000 of the remaining earn-out. At December 31, 2012, we had no further obligations under the earn-out for the Tourtellotte acquisition.

The cash contingent consideration at December 31, 2011, had a fair value amount of $2,000,000 and was classified as a short-term liability on the financial statements at December 31, 2011. The difference between the fair value of the cash contingent consideration at date of acquisition and the expected payment was recorded as an expense in the financial statements at the end of each reporting period. The Company recorded $0 in fiscal 2012, $114,000 in fiscal 2011 and $302,000 in fiscal 2010 of accretion expense in mergers and acquisition related costs on the income statement for this difference.

In accordance with FASB ASC 820, the Company determined that the non-financial assets and liabilities summarized above are derived from Level 3 inputs determined by management based on various market and income analyses and asset appraisals.

4. Derivative Financial Instruments

The Company enters into foreign currency contracts with financial institutions to reduce the risk that its cash flows and earnings will be adversely affected by foreign currency exchange rate fluctuations. In accordance with the Company s current foreign exchange rate risk management policy, this program is not designated for trading or speculative purposes.

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company recognizes derivative instruments as either assets or liabilities in the accompanying Consolidated Balance Sheets at fair value.

During 2012, the Company entered into twelve foreign currency call options designated as cash flow hedges to hedge certain forecasted expenses in its Netherlands and France offices denominated in Euros. The notional principal of the foreign currency call options to purchase 2.0 million Euros was $2.6 million U.S. Dollars at December 31, 2012. The remaining foreign currency call options mature monthly between January 2013 and August 2013. The Company paid a total premium in 2012 of $86,000 for these foreign currency call options.

The Company initially reports any gain or loss on the effective portion of the cash flow hedge as a component of Other Comprehensive Income and subsequently reclassify to the Cost of Service Revenue in the Consolidated Statements of Income when the hedged transactions occur. Any ineffectiveness is recognized in earnings immediately. At December 31, 2012, the effective portion of our cash flow hedges, before tax effect, was $(5,000). During the fiscal 2012, four of the cash flow hedge transactions occurred and the Company reclassified $15,000 of the loss to our Consolidated Statement of Income.

Valuation techniques used to measure fair value are intended to maximize the use of observable inputs and minimize the use of unobservable inputs. FASB establishes a fair value hierarchy that prioritizes the use of inputs used in valuation techniques into the following three levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

- Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are to be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company has determined the foreign currency call options to be Level 2. The fair value of the foreign currency call options at December 31, 2012 was $66,000, and is reported in Other Current Assets in the accompanying Consolidated Balance Sheets.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Property and Equipment

Property and equipment, at cost, consists of the following:

(in thousands)	December 31, 2012	December 31, 2011	Estimated Useful Life
Equipment	$ 11,913	$ 10,961	5 years
Equipment under capital leases	10,410	6,517	5 years
Furniture and fixtures	2,665	2,644	7 years
Leasehold improvements	2,331	2,159	5 years
Computer software costs	20,949	15,749	5 years
	48,268	38,030	
Less: Accumulated depreciation and amortization	(26,805)	(21,844)	
Property and equipment, net	$ 21,463	$ 16,186	

Accumulated depreciation related to equipment acquired under capital leases amounted to $5.2 million and $4.5 million at December 31, 2012 and 2011, respectively. Accumulated amortization related to capitalized computer software costs amounted to $8.6 million and $5.9 million at December 31, 2012 and 2011, respectively. Depreciation expense for the years ended December 31, 2012, 2011 and 2010 were $5.0 million, $4.0 million and $2.8 million, respectively.

6. Intangible Assets

Included in other assets, the following is the acquired intangible assets:

(in thousands)	December 31, 2012	December 31, 2011	Estimated Useful Life
Amortizable intangible assets:			
Technology	$ 1,843	$ 1,843	5-10 years
Trademarks	48	48	5 years
Customer backlog	2,112	2,112	3-7 years
Non-competition agreement	349	349	2-3 years
	$ 4,352	$ 4,352	
Accumulated amortization	(3,078)	(2,544)	
	$ 1,274	$ 1,808	
Unamortized intangible assets:			
Goodwill	$ 34,302	$ 34,302	

The goodwill relates to the Company s clinical trials services segment. The Company has

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

evaluated the goodwill and has determined that there is no impairment of the values at December 31, 2012 and 2011. Amortization expense of intangible assets for the years ended December 31, 2012, 2011 and 2010 were $534,000, $623,000 and $638,000, respectively.

Future amortization of the intangible assets is as follows:

(in thousands)		**Year Ending December 31**
2013	$	337
2014		309
2015		160
2016		110
2017		110
Thereafter		248
	$	1,274

The following table details the changes in the carrying amount of goodwill:

(in thousands)		**2012**		**2011**
Balance at the beginning of year	$	34,302	$	34,302
Acquisition of businesses				
Changes to goodwill due to tax contingencies				
Balance at end of year	$	34,302	$	34,302

7. Accrued Expenses

Accrued expenses and other current liabilities at December 31, 2012 and 2011 consist of the following:

	December 31,	
(in thousands)	**2012**	**2011**
Accrued compensation	4,323	3,505
Accrued consulting fees	322	269
Accrued other	2,162	2,170
	6,807	5,944

8. Capital Lease Obligations

Capital lease obligations consist of nine equipment lease obligations with the same bank at December 31, 2012. In 2012, we entered into another four sale/leaseback transactions totaling $3.9 million. In 2011, we entered into four sale/leaseback transactions totaling $1.3 million whereby the Company sold and leased back computer equipment and software. In 2010, we entered into one capital lease obligation totaling $892,000. The resulting leases are being accounted for as capital leases and a total gain was recorded on the sale, which is being deferred over the lives of the leases. This gain was

$147,000 in fiscal 2012, $47,000 in fiscal 2011, and $9,000 in fiscal 2010. The lease terms are for five years with interest rates ranging from 3.04% to 3.87% per annum.

Future principal capital lease obligation payments are as follows:

(in thousands)		**Year Ending December 31, 2012**
2013		1,176
2014		1,216
2015		1,241
2016		993
2017		498
	$	5,124

9. Stock Based Compensation

The Company accounts for stock based compensation plans under the provisions of FASB ASC 718 *Compensation Stock Compensation* (FASB ASC 718), which requires the measurement and recognition of compensation expense for all stock-based awards made to employees and directors. The stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense on a straight-line basis over the requisite service period of the entire award. This period is the vesting period of the corresponding award. We have adopted the forfeiture rate on stock option grants issued after January 1, 2006 and the application of the forfeiture rate on unvested stock options at January 1, 2006 was immaterial to our financial statement.

At December 31, 2012, the Company has one stock-based employee compensation plan. The compensation cost that has been recorded to income under the plan for the year ended December 31, 2012 was $1,846,000, of which $666,000 is a result of the expensing of stock options pursuant to FASB ASC 718, $482,000 is a result of expensing restricted stock units issued to our Board of Directors, $287,000 is a result of expensing restricted stock units issued to our President and Chief Executive Officer and $411,000 is a result of expensing restricted stock units issued to our other executive officers. For the year ended December 31, 2011, the compensation cost that has been recorded to income under the plan was $1,369,000, of which $610,000 is a result of the expensing of stock options pursuant to FASB ASC 718, $397,000 is a result of expensing restricted stock units issued to our Board of Directors, $185,000 is a result of expensing restricted stock units issued to our President and Chief Executive Officer and $177,000 is a result of expensing restricted stock units issued to our other executive officers. For the year ended December 31, 2010, the compensation cost that has been recorded to income under the plan was $1,080,000, of which $553,000 is a result of the expensing of stock options pursuant to FASB ASC 718, $311,000 is a result of expensing restricted stock units issued to our Board of Directors, $95,000 is a result of expensing restricted stock units issued to our President and Chief Executive Officer and $121,000 is a result of expensing restricted stock units issued to our other executive officers.

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table presents the classification of stock-based compensation expense resulting from stock options and restricted stock unit awards:

(in thousands)	For the year ended December 31, 2012	For the year ended December 31, 2011	For the year ended December 31, 2010
Cost of revenues	$ 544	$ 471	$ 385
Sales and marketing	55	41	50
General and administrative	1,247	857	645
Stock-based compensation expense before income taxes	$ 1,846	$ 1,369	$ 1,080

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	2012	2011	2010
Risk-free interest rate (range)	0.87-1.21%	1.26-2.70%	1.59-2.44%
Dividend yield	0.00%	0.00%	0.00%
Expected volatility	47.00-49.00%	49.00-53.00%	52.00-53.00%
Expected term (in years)	6.00	6.00	5.00

Expected Volatility. Expected volatility is calculated on a weekly basis over the expected term of the option using the Company s common stock close price.

Expected Term. The expected term is based on historical observations of employee exercise patterns during our history.

Risk-Free Interest Rate. The interest rate used in valuing awards is based on the yield at the time of grant of a U.S. Treasury security with an equivalent remaining term.

Dividend Yield. The Company has never paid cash dividends, and does not currently intend to pay cash dividends, and thus has assumed a 0% dividend yield.

Pre-Vesting Forfeitures. Estimates of pre-vesting option forfeitures are based on our experience. We used a 10% forfeiture rate assumption. We will adjust our estimate of forfeitures over the requisite service period based on the extent to which actual forfeitures differ, or are expected to differ, from such estimates.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Stock Options

Fiscal 2012

(in thousands) Stock Options	Shares		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term		Aggregate Intrinsic Value
Outstanding at December 31, 2011	1,662	$	5.15	3.42	$	584
Granted	256		5.56	9.15		
Exercised	(171)		3.21			559
Forfeited or expired	(161)		5.53			
Outstanding at December 31 ,2012	1,586	$	5.39	3.60	$	526
Unvested at December 31, 2012	398		5.07	6.74		259
Exercisable at December 31, 2012	1,188	$	5.50	2.54	$	267

Fiscal 2011

(in thousands) Stock Options	Shares		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term		Aggregate Intrinsic Value
Outstanding at December 31, 2010	1,717	$	4.83	3.78	$	1,246
Granted	241		4.69	6.21		
Exercised	(173)		1.79			426
Forfeited or expired	(123)		4.55			
Outstanding at December 31 ,2011	1,662	$	5.15	3.42	$	584
Unvested at December 31, 2011	480		4.83	4.86		112
Exercisable at December 31, 2011	1,182	$	5.28	2.84	$	472

The weighted-average grant date fair value of options granted for the years ended December 31, 2012, 2011 and 2010 was $5.56, $4.69 and $4.29, respectively. Cash received from option exercises for the years ended 2012, 2011 and 2010 was $466,000, $205,000, and $122,000, respectively.

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2012, there was $1.1 million of total unrecognized compensation cost related to nonvested stock options. That cost is expected to be recognized over a period of 5.17 years.

In May 2010, the Company s Board of Directors and stockholders approved the adoption of the BioClinica, Inc. 2010 Stock Incentive Plan (the Plan) and authorized the issuance of 1,121,616 shares of the Company s common stock under the Plan and up to 250,000 shares of any options or restricted stock units awards outstanding under the previous plan at May 12, 2010, the effective date of the Plan, that are subsequently forfeited or cancelled or otherwise expire or terminate unexercised, may add to the share reserve. An amendment to the Plan was approved by the stockholders in May 2012 for an additional issuance of 500,000 shares of the Company s common stock. At December 31, 2012, the Company had 850,249 available shares to be issued from the Plan.

Each option is exercisable into one share of common stock. Options granted pursuant to the Plan may be qualified incentive stock options, as defined in the Internal Revenue Code, or nonqualified options. The exercise price of qualified incentive stock options may not be less than the fair market value of the Company s Common Stock at the date of grant. The term of such stock options granted under the Plan shall not exceed 10 years and the vesting schedule of such stock option grants varies from immediate vesting on date of grant to vesting over a period of up to five years.

The following table summarizes the stock option transactions pursuant to the Plan for the three years ended December 31, 2012:

(in thousands)	**Number of Shares Underlying Options**		**Weighted Average Option Grant Date Fair Value**
Non-vested at December 31, 2009	562	$	5.56
Granted	216	$	4.29
Vested	(262)	$	5.46
Non-vested at December 31, 2010	516	$	5.08
Granted	241	$	4.69
Vested	(277)	$	5.17
Non-vested at December 31, 2011	480	$	4.83
Granted	256	$	5.56
Vested	(338)	$	5.11
Non-vested at December 31, 2012	398	$	5.07

1.2 million, 1.2 million and 1.3 million options are exercisable at December 31, 2012, 2011 and 2010, respectively, at a weighted average exercise price of $5.50, $5.28 and $4.72, respectively.

The intrinsic value of stock options exercised for the years ended December 31, 2012, 2011 and 2010, were $433,000, $463,000 and $1.1 million, respectively.

At December 31, 2012, by range of exercise prices, the number of shares represented by outstanding options with their weighted average exercise price and weighted average remaining contractual life, in years, and the number of shares represented by exercisable options with their

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

weighted average exercise price are as follows:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	**Number Outstanding (in thousands)**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**	**Number Exercisable (in thousands)**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**
$1.16-$2.80	31	0.10 years	$ 2.80	31	0.10 years	$ 2.80
$3.04-$4.44	522	2.74 years	$ 3.73	441	2.62 years	$ 3.66
$4.68-$5.20	290	3.95 years	$ 4.77	176	3.03 years	$ 4.81
$5.52-$8.06	743	4.21 years	$ 6.90	540	2.46 years	$ 7.38
$1.16-$8.06	1,586	3.60 years	$ 5.39	1,188	2.54 years	$ 5.50

Restricted Stock Units:

The following table summarizes the restricted stock unit transactions pursuant to the Plan for the three years ended December 31, 2012:

(in thousands)	**Number of Restricted Stock Units**	**Weighted Average Grant Date Fair Value**
Balance at December 31, 2009	**172,500**	
Granted	232,500	$ 4.51
Issued to Common Stock (1)	(60,000)	
Cancelled	(5,000)	
Balance at December 31, 2010	**340,000**	
Granted	255,000	4.86
Issued to Common Stock (2)	(98,333)	
Cancelled	(70,000)	
Balance at December 31, 2011	**426,667**	
Granted	356,000	5.47
Issued to Common Stock (3)	(125,833)	
Cancelled		
Balance at December 31, 2012	**656,834**	

(1) 48,000 shares of common stock were issued to the employees, 12,000 shares were withheld for taxes.

(2) 43,618 shares of common stock were issued to the employees, 22,235 shares were withheld for taxes. We also issued 32,500 shares of common stock to our Board member who did not stand for re-election.

(3) 84,977 shares of common stock were issued to the employees, 40,856 shares were withheld for taxes.

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Commitments

The Company has entered into non-cancelable operating leases for office facilities which expire through January 2019.

Future minimum aggregate rental payments on the non-cancelable portion of the leases are as follows:

(in thousands)		Year Ending December 31, 2012
2013		2,939
2014		2,787
2015		2,743
2016		2,721
2017		2,632
Thereafter		15,547
	$	29,369

Rent expense charged to operations for the years ended December 31, 2012, 2011 and 2010 was $3.1 million, $3.5 million and $3.6 million, respectively.

On February 22, 2012, the Company entered into an employment agreement with its President and Chief Executive Officer effective February 29, 2012 and expires on February 28, 2015. In addition, the Company has employment agreements with its Chief Financial Officer and the President of eClinical Solutions. The Chief Financial Officer s agreement expires February 24, 2014 and is renewable on an annual basis. The President of eClinical Solutions agreement expires September 30, 2013 and is renewable on an annual basis. The aggregate amount payable from January 1, 2013 through the expiration under these agreements is $1,553,000.

On May 5, 2010, the Company entered into a two year unsecured, committed line of credit with PNC Bank and have renewed this two year line of credit annually. In April 2012, the Company again extended the expiration date of this line of credit to May 4, 2014. Under the credit agreement, the Company has the ability to borrow $7.5 million at interest rates equal to LIBOR plus 1.75%. In addition, we pay a fee of 0.25% per annum on the loan commitment regardless of usage. The credit agreement requires our compliance with certain covenants, including maintaining a minimum stockholders equity of $35 million. As of December 31, 2012, we had no borrowings under this line of credit, and we were compliant with the covenants.

11. Employee Benefit Plan

The Company sponsors the BioClinica, Inc. Employees Savings Plan (the 401(k) Plan), a defined contribution plan with a cash or deferred arrangement. Under the terms of the 401(k) Plan, eligible employees may elect to reduce their annual compensation up to the annual limit prescribed by the Internal Revenue Service. The Company may make discretionary matching contributions in cash, subject

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

to plan limits. The Company made contributions of $358,000, $335,000 and $317,000 for the years ended December 31, 2012, 2011 and 2010, respectively.

12. Major Customers

For the year ended December 31, 2012, contracts with Pfizer Inc. encompassed 24 projects, representing 18.7% of our service revenues. For the year ended December 31, 2011, contracts with Pfizer Inc. encompassed 21 projects, representing 19.8% of our service revenues. For the year ended December 31, 2010, contracts with Pfizer Inc. encompassed 22 projects, representing 19.9% of our service revenues.

13. Income Taxes

The income tax provision consists of the following:

	For the year ended December 31,		
(in thousands)	**2012**	**2011**	**2010**
Current:			
Federal	$ 507	$ 590	$ 661
State and local	628	483	363
Foreign	21	188	130
	1,156	1,260	1,154
Deferred:			
Federal	1,426	240	325
State and local	(15)	35	33
Foreign	110		64
	1,521	275	422
Income tax provision	$ 2,677	$ 1,536	$ 1,576

The Company s reconciliation of the expected federal provision rate to the effective income tax rate is as follows:

	For the year ended December 31,		
	2012	**2011**	**2010**
Tax provision at statutory rate	34.0%	34.0%	34.0%
State and local income taxes, net of federal benefit	6.2%	7.9%	6.3%

Permanent differences	1.0%	1.1%	1.0%
Foreign rate difference	(0.5)%	(0.9)%	(0.9)%
Federal credit for increasing research activities	1.4%	(7.1)%	(5.4)%
Other	(0.3)%	0.4%	1.4%
Effective income tax rate	41.8%	35.4%	36.4%

If Congress had enacted the American Tax Relief Act before December 31, 2012, the Company s effective tax rate would have been reduced by approximately 3% for the federal research and experimentation credit.

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company s domestic and foreign income before income tax is as follows:

	For the year ended December 31,		
(in thousands)	**2012**	**2011**	**2010**
Domestic income before income tax	$ 5,862	$ 3,687	$ 3,722
Foreign income before income tax	542	647	607
Total income before income tax	$ 6,404	$ 4,334	$ 4,329

The components of net deferred tax assets consist of the following:

	For the year ended December 31,	
(in thousands)	**2012**	**2011**
Deferred tax assets:		
Accrued expenses	$ 196	$ 162
Deferred revenue	2,804	3,441
Non-cash stock compensation	1,669	1,392
Amortization of acquisition costs	407	505
State tax depreciation	305	190
Research and experimentation credit carryforward		135
Restructuring costs		215
Rent escalation	401	252
Other	73	132
Total deferred tax assets	5,855	6,424
Deferred tax liabilities:		
Excess of tax over book depreciation	(4,813)	(3,751)
Amortization of acquisition costs	(441)	(494)
Prepaid expenses	(625)	(501)
Other	(4)	(14)
Total deferred tax liabilities	(5,883)	(4,760)
State valuation allowance	(15)	(31)
Net deferred tax (liability) assets	$ (43)	$ 1,633

The Company has foreign NOL carryforwards from its French subsidiary of $0 as of December 31, 2012 and $121,000 as of December 31, 2011. The NOL carryforwards from the Company s French subsidiary do not have an expiration date and can be carried forward indefinitely. The Company records a valuation allowance to reduce its deferred tax assets to an amount that is more likely than not to be realized. In assessing the need for the valuation allowance, the Company considers future taxable income and on-going prudent and feasible tax planning strategies. The Company recorded a $14,000 valuation allowance related to separate company NOL

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

carryforwards not expected to be realized. In the event that the Company was to determine that, in the future, they would be able to realize the deferred tax assets in excess of its net recorded amount, an adjustment to the deferred tax asset would be made, thereby increasing net income in the period such determination was made. Likewise, should the Company determine that it is more likely than not that it will be unable to realize all or part of the net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged, thereby decreasing net income in the period such determination was made.

The excess tax benefit of the stock option deductions have been recorded to additional paid-in capital in the amount of $99,000 and $20,000 for the years ended December 31, 2012 and 2011, respectively.

The Company recognizes contingent liabilities for any tax related exposures when those exposures are more likely than not to occur.

The Company has not provided for U.S. federal income and foreign withholding taxes on approximately $3.2 million of undistributed earnings from its non-U.S. operations as of December 31, 2012 because such earnings are intended to be reinvested indefinitely outside of the United States.

The Company applies FASB ASC 740 Income Taxes which prescribes a recognition threshold that a tax position is required to meet before being recognized in the financial statements.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows:

	December 31,		
(in thousands)	**2012**	**2011**	**2010**
Balance at the beginning of the period	$ 135	$ 57	
Additions based on tax positions related to the current year		57	$ 57
Additions for tax positions of prior years		21	
Reductions for tax positions of prior years	(23)		
Settlements			
Balance at end of year	$ 112	$ 135	$ 57

The total amount of net unrecognized tax benefits that, if recognized, would impact the Company s effective tax rate were $112,000 and $135,000 at December 31, 2012 and 2011, respectively. The Company accrues interest and penalties related to unrecognized tax benefits in income tax expense in the Consolidated Statements of Income. During the years ended December 31, 2012 and 2011, the Company recognized an expense of $0 and an expense of $1,000, respectively. The Company had $1,000 and $1,000 for the payment of interest and penalties accrued at December 31, 2012 and 2011, respectively. The Company does not expect any material changes in the unrecognized tax benefit over the next twelve months.

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We file our tax returns as prescribed by the tax laws of the jurisdictions in which we operate. Our federal tax returns for years 2009 through 2011 are subject to examination. Our state taxes for years 2000 through 2011 are subject to examination. Our foreign taxes for years 2009 through 2011 are subject to examination by the respective authorities.

14. Foreign Operations

The Company s service revenue by customer location is as follows:

(in thousands)	2012	2011	2010
United States	$ 65,167	$ 55,662	$ 49,204
United Kingdom	1,550	1,923	3,390
Continental Europe	9,350	8,700	8,219
Canada	495	381	519
Asia/Pacific	1,990	1,065	1,297
Other	450	262	85
	$ 79,002	$ 67,993	$ 62,714

The Company maintains principal offices in Newtown and Audubon, Pennsylvania, Leiden, the Netherlands and Lyon, France. Net fixed assets located in the United States were $9.5 million and $6.5 million at December 31, 2012 and 2011, respectively. Net fixed assets located in Leiden, the Netherlands, were $638,000 and $830,000 at December 31, 2012 and 2011, respectively. Net fixed assets located in Lyon, France were $586,000 and $546,000 at December 31, 2012 and 2011, respectively.

15. Related Party Transactions

At December 31, 2011, Covance, Inc. owned 15.0% of the Company s outstanding common shares. The Company and Covance, Inc. have entered into various services agreements, for Covance s clients that sponsor clinical trials, in the ordinary course of business. The Company s service revenues from Covance, Inc. include $207,000, $425,000 and $666,000 for the years ended December 31, 2012, 2011 and 2010, respectively. At December 31, 2012 and 2011, the amounts due from Covance, Inc. were $0 and $178,000, respectively as reported in accounts receivable.

16. Subsequent Event

On January 30, 2013, it was announced that affiliates of JLL, including Parent and Purchaser, entered into the Merger Agreement with us whereby Parent will acquire us. The acquisition will be carried out in two steps. The first step is the tender offer by Purchaser to purchase all of our outstanding shares of common stock at a price of $7.25 per share, payable net to the seller in cash. Unless subsequently extended, the Tender Offer will expire on March 11, 2013 at 12:00 midnight New York City time.

Following the successful completion of the Tender Offer, Purchaser will be merged with the Company, and all shares of our common stock not purchased in the Tender Offer (other than shares held

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BIOCLINICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

by Purchaser or its affiliates or the Company and dissenting shares) will be converted into the right to receive $7.25 in cash per share of our common stock. In addition, under the terms of the Merger Agreement, Purchaser is granted an option to acquire up to one share more than 90% of our issued and outstanding common stock if necessary to allow a short-form merger under Delaware law, which would not require a stockholder vote. The Merger is subject to customary conditions.

Starting on February 1, 2013, several purported stockholders of BioClinica have filed complaints styled as class action lawsuits in the Court of Chancery of the State of Delaware (the Court of Chancery) against BioClinica, Inc., the BioClinica board of directors, JLL Partners, Inc., BioCore Holdings, Inc. and BC Acquisition Corp. The complaints allege, among other things, that the board of directors of BioClinica conducted an unfair sales process resulting in an unfair consideration to the BioClinica stockholders in the Offer, and certain lawsuits allege that the information disclosed about the transaction was inadequate and omitted material information. The complaints assert that BioClinica s board members breached their fiduciary duties in agreeing to the Offer and that BioClinica, JLL, Parent and Purchaser aided and abetted in the breaches of fiduciary duties. In addition, certain lawsuits bring claims against the board of directors for breach of fiduciary duty for materially misleading and inadequate disclosures. The lawsuits seek to enjoin the Offer and seek other equitable relief and unspecified monetary damages. At this stage of the proceedings, we are unable to conclude that the likelihood of an unfavorable outcome is either probable or remote.

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Quarterly Financial Results (Unaudited)

The following is a summary of unaudited quarterly results of operations for the years ended December 31, 2012 and 2011. This quarterly financial data should be read in conjunction with the audited consolidated financial statements included herein.

Quarter Ended (Unaudited)

(in thousands except per share data)	Dec. 31, 2012	Sept. 30, 2012	June 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	Mar. 31, 2011
Service revenues	22,167	19,227	19,057	18,551	18,335	16,623	16,891	16,144
Reimbursement revenues	5,440	5,701	4,001	4,134	4,084	4,847	3,519	3,521
Total revenues	27,607	24,928	23,058	22,685	22,419	21,470	20,410	19,665
Cost and expenses:								
Cost of service revenues	13,391	11,968	11,682	11,598	10,785	10,434	10,441	10,557
Cost of reimbursement revenues	5,440	5,701	4,001	4,134	4,084	4,847	3,519	3,521
Sales and marketing expenses	2,884	2,489	2,745	2,614	2,402	2,081	2,383	1,860
General and administrative expenses	3,479	2,697	2,782	2,602	3,145	2,434	2,371	2,222
Amortization of intangible assets related to acquisitions	105	138	138	153	156	155	156	156
Restructuring charges		839				1,040		679
Mergers and acquisitions expense	190						59	103
Total cost and expenses	25,489	23,832	21,348	21,101	20,572	20,991	18,929	19,098
Income from operations	2,118	1,096	1,710	1,584	1,847	479	1,481	567
Interest income	4		2	4	2	2	2	2
Interest expense	(41)	(34)	(22)	(17)	(16)	(14)	(9)	(9)
Income before tax	2,081	1,062	1,690	1,571	1,833	467	1,474	560
Income tax provision	(923)	(520)	(657)	(577)	(668)	(109)	(550)	(209)
Net income	1,158	542	1,033	994	1,165	358	924	351
Basic earnings per share:								
Net Income	0.07	0.03	0.07	0.06	0.07	0.02	0.06	0.02
Diluted earnings per share:								
Net Income	0.07	0.03	0.06	0.06	0.07	0.02	0.06	0.02
Weighted average shares used to calculate earnings per share:								
Basic	15,604	15,596	15,640	15,644	15,677	15,640	15,647	15,652
Diluted	16,522	16,461	16,552	16,512	16,165	16,383	16,491	16,417

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. We evaluated, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934 (Exchange Act), as amended) as of December 31, 2012, the end of the period covered by this report on Form 10-K. Based on this evaluation, our President and Chief Executive Officer (principal executive officer) and our Chief Financial Officer (principal accounting and financial officer) have concluded that our disclosure controls and procedures were effective at December 31, 2012. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms, and were operating in an effective manner for the period covered by this report, and (ii) is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Management s Report on Internal Control Over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act and is a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel, to:

- Provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of our management and directors; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of the Company s internal control over financial reporting as of December 31, 2012. In making this assessment, the Company s management used the criteria set forth by the

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Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework.*

Based on its evaluation, our management has concluded that, as of December 31, 2012, our internal control over financial reporting was effective.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management s report was not subject to the attestation by our independent registered public accounting firm because smaller reporting companies are exempt from this requirement.

Changes in internal control over financial reporting There was no change in our internal controls over financial reporting that occurred during the fourth quarter of 2012 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information.

None.

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PART III

Item 10. **Directors, Executive Officers and Corporate Governance.**

Set forth below is the name, age and position of each director of BioClinica as of February 8, 2013:

Name	Age	Served as a Director Since	Position with the Company
David E. Nowicki, D.M.D.	61	1998	Chairman of the Board and Director
Mark L. Weinstein	60	1998	President, Chief Executive Officer and Director
Jeffrey H. Berg, Ph.D.	70	1994	Director
Martin M. Coyne	64	2011	Director
E. Martin Davidoff, CPA, Esq.	61	2004	Director
Marcella LoCastro, CPA, CITP	60	2011	Director
Adeoye Y. Olukotun, M.D., M.P.H.	68	2008	Director
Wallace P. Parker, Jr.	63	2010	Director
John P. Repko	50	2011	Director

Director Experience, Qualifications, Attributes and Skills

We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Board of Directors to fulfill its responsibilities. The Board of Directors is composed of a diverse group of leaders in their respective fields. Many of the current directors have leadership experience at major domestic and international companies with operations inside and outside the United States, as well as experience on other companies boards, which provides an understanding of different business processes, challenges and strategies. Further, BioClinica s directors also have other experience that makes them valuable members, such as pharmaceutical/bio-technology or industry related experience that provides insight into issues faced by us.

The principal occupations, for at least the past five years, certain experience, qualifications, attributes and skills of each director and nominee are as follows:

Dr. Nowicki has been a director of BioClinica since July 1998 and was appointed Chairman of the Board of Directors of BioClinica in October 1999. Dr. Nowicki has had a private practice in periodontics and dental implants since September 1981. Dr. Nowicki received his DMD from the University of Medicine and Dentistry of New Jersey in 1976. He completed his postdoctoral training in Periodontology in 1978 and later served on the postgraduate faculty of the University of Medicine and Dentistry of New Jersey as an associate clinical professor and lecturer for 13 years. He has served as President and Executive Board member, of a large single facility YMCA, serving over 5,000 members, establishing partnerships with counterparts in Russia. He has served on the boards of several other non-profit and community service organizations implementing the principles of Board Policy Governance. He has lectured nationally about periodontology, computer imaging for implant surgery, and systems thinking in health care. Dr. Nowicki s medical background and knowledge of the healthcare industry is beneficial in helping evaluate strategic direction. In addition,

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Dr. Nowicki provides insight for best practices in corporate governance to the Board of Directors and facilitates effective communication between the Board of Directors and Management.

Mr. Weinstein has been a director of BioClinica since March 1998 and has served as the President and Chief Executive Officer of BioClinica since February 1998. Mr. Weinstein also served as the Chief Financial Officer of BioClinica from January 31, 2000 to February 18, 2003. Mr. Weinstein joined BioClinica in June 1997 as Senior Vice President, Sales and Marketing and was appointed Interim Chief Executive Officer in December 1997. Prior to joining BioClinica, from September 1996 to May 1997, he was the Chief Operating Officer of Internet Tradeline, Inc., an internet-based electronic solutions provider. From July 1991 to August 1996, Mr. Weinstein worked for Medical Economics Company, an international health care information company and wholly-owned division of The Thomson Corporation. He held several senior management positions at Medical Economics Company with his last position being President and Chief Operating Officer of the International Group. Mr. Weinstein received his MBA from College of William and Mary and his Bachelor s degree in Economics from University of Virginia. Mr. Weinstein brings a tremendous knowledge regarding BioClinica from a short and long term strategic perspective and from a day-to-day operational perspective. Mr. Weinstein serves as a conduit between the Board of Directors and management and oversees management s efforts to realize the Board of Director s strategic goals.

Dr. Berg has been a director of BioClinica since January 1994, and is currently the President of Health Care Insights, a healthcare research and consulting firm. Dr. Berg has been President of Health Care Insights since March 1991. From February 2004 until April 2005, he was the Director of Medical Technology for Crystal Research Associates. He was an analyst for HCFP/Brenner Securities from May 2002 to January 2004. From September 1995 to May 2002, Dr. Berg was a senior research analyst for MH Meyerson, a brokerage firm. While President of Health Care Insights, from January 1994 to June 1995, Dr. Berg also served as a financial analyst for GKN Securities Corp., an investment banking firm which served as the underwriter in BioClinica s June 1992 public offering, and was a financial analyst from March 1992 until December 1992 for The Chicago Corporation, a brokerage firm. For the past 16 years, Dr. Berg has been a Contributing Editor to the Biomedical Business & Technology newsletter and Media s Medical Device Daily publication, published by AHC Media. Dr. Berg received a PhD in organic chemistry from New York University s Graduate School of Arts and Science and a MBA from its Graduate School of Business Administration. He has a Bachelor s degree from Yeshiva College. Dr. Berg has served as a director of BioClinica for over 19 years, allowing him to understand the challenges and opportunities BioClinica has faced and will face in the future. Dr. Berg s experience as a consultant and analyst in the healthcare industry is beneficial to the Board of Directors.

Mr. Coyne has been a director of BioClinica since May 2011. Mr. Coyne has served as a director of Akamai Technologies, Inc. since November 2001. Mr. Coyne was named their Lead Director in May 2003. Between 1995 and his retirement in July 2003, Mr. Coyne served in a variety of senior management positions at the Eastman Kodak Company, which develops, manufactures and markets imaging products and services in the healthcare and consumer markets. Mr. Coyne most recently served as Group Executive, Photography Group, and Executive Vice President of Eastman Kodak. He also served as President of the Kodak Health Imaging Group. Mr. Coyne currently serves on the boards of directors of one private company RockTech. He is President and CEO of the New Jersey Chapter of the National Association of Corporate Directors. He is also an NACD Board Leadership Fellow. In the past, he has been a director of OpenPages Inc., Avecia Group Ltd and Chairman of the Board of Welch Allyn. Mr. Coyne s long experience at Eastman Kodak and as a director in multiple companies has enabled him to provide meaningful advice on operational issues, strategy and CEO succession planning to management and other members of boards of directors as they address considerations for overseeing and guiding a complex and evolving organization. Mr. Coyne has extensive experience and insight into the oversight of risk management and corporate governance, succession planning and executive development issues, which enhances the ability of the Board of Directors to fulfill its fiduciary role. Over the course of his nearly 10 years of service on various boards, he has demonstrated invaluable skill in taking a primary role in ensuring strong corporate governance and effective communication among directors and between the Board of Directors and senior management. Mr. Coyne earned a B.S. degree in Pharmacy from Fordham University and an M.B.A. from Fairleigh Dickinson University and has also attended the Advanced Management Program at the Wharton School of Business. Mr. Coyne provides relevant management and corporate governance experience for service on the Board of Directors.

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Mr. Davidoff has been a director of BioClinica since May 2004 and has operated his own tax practice, as both a certified public accountant and tax attorney, since 1981. He served as President of the American Association of Attorney-Certified Public Accountants (AAA-CPA), is founder of the Internal Revenue Service (IRS) Tax Liaison Committee and is the Chair for the IRS Liaison Sub-Committee on Legislative Affairs for the AAA-CPA. As a member of the American Institute of Certified Public Accountant s (AICPA) Tax Division, he has served on their Tax Legislative Liaison Committee. He completed two years on the Executive Committee of the New Jersey Society of Certified Public Accountants (NJSCPA), having served as the organization s Secretary and as Vice President for Taxation and Legislation. Mr. Davidoff has also served as President of the Middlesex/Somerset chapter of the NJSCPA and as the chairman of the NJSCPA Federal Taxation and Membership Committees. He is a member of the tax section of the New Jersey Bar Association. In 1995, Mr. Davidoff was appointed by then Governor Christine Todd Whitman to the White House Conference on Small Business. Among the honors he has received are the 1998/1999 New Jersey Society of CPAs Distinguished Service Award for his dedicated service and commitment to the Society; the SBA 1997 Accountant Advocate of the Year for New Jersey and Region II (New York, New Jersey, Virgin Islands, and Puerto Rico); and the 1998 Nicholas Maul Leadership Award from the Middlesex County Regional Chamber of Commerce. Selected as one of the 2004, 2005, 2006, 2007, 2008, 2009 and 2010 Top 100 Most Influential People in Accounting by *Accounting Today*, the editions noted that Davidoff s views on issues affecting tax practice are heard at the highest levels of government. *CPA Magazine* has also chosen Mr. Davidoff as one of the Top 50 IRS Practitioners of 2008 in their April/May 2008 edition and one of the Top 40 Tax Advisors To Know During a Recession in their April/May 2009 edition. Mr. Davidoff received his undergraduate degree from Massachusetts Institute of Technology, MBA from Boston University Graduate School of Management, and a JD from the Washington University School of Law. Mr. Davidoff is a certified public accountant and as such, the Board has designated Mr. Davidoff as an audit committee financial expert pursuant to SEC rules and NASDAQ listing standards. Mr. Davidoff provides advice to the Board of Directors regarding accounting and tax issues.

Ms. LoCastro has been a director of BioClinica since May 2011. Ms. LoCastro is CEO of MLoCastro Consulting LLC and provides women s leadership training and coaching to professional services firms. She serves as a Senior Advisor in Alvarez & Marsal s Private Equity Services Operations Group, Montclair State University s Foundation and College of Business and New Jersey Society of Certified Public Accountants (NJSCPA) Magazine Editorial Boards, as well as served on the NJSCPA Executive Committee. She has over 35 years of experience working with CEOs and CFOs providing accounting solutions, software package implementations, business process improvement and management reporting solutions. She was the Associate and Managing Partner of the NY office of Tatum, LLP from September 2007 to December 2008, the Managing Director of Solomon Edwards Group NJ office from April 2006 to July 2007, and has held Partner roles with Deloitte LLP, JH Cohn LLP, Arthur Andersen LLP and Ernst & Young LLP. She was the first woman partner at JH Cohn, Arthur Andersen and Ernst & Young in their NJ offices. Ms. LoCastro is a recipient of *Business News New Jersey* Leader Recognition Award and was honored by EWNJ Salute to the Policy Makers, New Jersey Association of Women Business Owners Salute to Women Leaders; Ten Years of Excellence Award, YWCA of Essex/West Hudson Business Woman of the Year Award, SBA Accountant Advocate of the Year Award in 2000, Women s Fund of NJ Award for Outstanding Achievement in the Field of Technology, the New Jersey Society of Certified Public Accountants (NJSCPA) with its 2006 Service Award and 2012 Women of Note Recognition , Garden State Woman of the Year Professional Services Award for 2006, CIANJ recognition as a Women of Influence in NJ in 2006, NJBIZ New Jersey s Best 50 Women in Business for 2007, and Montclair State University as the first group of Alumni to be selected for honorary membership in Beta Gamma Sigma, the international honor society for collegiate schools of business in recognition for personal achievement in 2008. She received her undergraduate degree from Montclair State University in Mathematics and her MBA from Fairleigh Dickinson University in Accounting and Taxation. Ms. LoCastro is a member of the Board of the Directors of the publicly traded biopharmaceutical company Immunomedics, Inc. (Nasdaq: IMMU). The Board of Directors has designated Ms. LoCastro as an audit committee financial expert pursuant to SEC rules and NASDAQ listing standards.

Dr. Adeoye Olukotun has been a director of BioClinica since August 2008. Since January 2006, Dr. Olukotun is the Chief Executive Officer of CardioVax Inc., a biotechnology company focused on developing innovative cardiovascular therapies. In September 2004, Dr. Olukotun co-founded VIA Pharmaceuticals and served as the Chief Medical Officer from the company s formation until December 2008. He is a Board Certified Cardiologist and has more than 25 years of experience in clinical research and drug development in the pharmaceutical industry. Dr. Olukotun has been instrumental in the submission of more than 14 New Drug Applications, Premarket Authorization Applications, and 510k Applications. He

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has published more than 50 articles in peer-reviewed scientific journals. Before CardioVax and VIA, Dr. Olukotun founded CR Strategies, LLC, a clinical research and development consulting firm in Princeton, NJ, and served as its Chief Executive Officer from 2000 to 2003. He also was Chief Medical Officer of Esperion Therapeutics, Inc., a cardiovascular drug development company, until its acquisition by Pfizer in 2004. From 1996 to 2000, Dr. Olukotun was Vice President of Medical and Regulatory Affairs and Chief Medical Officer of Mallinckrodt, Inc. Prior to joining Mallinckrodt, Dr. Olukotun spent 14 years at Bristol-Myers Squibb Company, where he served as Vice President of two divisions focused on cardiovascular research, and was involved in the clinical development of several cardiovascular and lipid-regulating agents. Dr. Olukotun received his MD degree from Albert Einstein College of Medicine, New York and obtained a MPH degree from Harvard University School of Public Health, Boston. He is a Fellow of the American College of Cardiology as well as the American Heart Association. He is a member of the Boards of Directors of the publicly traded biotechnology company Nordion, Inc. (TSX: NDN) (NYSE: NDX). Dr. Olukotun brings to the Board of Directors experience in the pharmaceutical industry along with his knowledge of the drug development process. This experience and knowledge, together with his medical training, provide value for service on the Board of Directors.

Mr. Parker has been a director of BioClinica since November 2010. Mr. Parker served as President of KeySpan Energy s Energy Delivery & Customer Relationship Group and CEO of KeySpan Services, Inc. from 2001 to 2007, during which period he oversaw operations that generated over $5 billion in revenue and managed assets in excess of $12 billion. He has broad-based experience in regulatory affairs, operations management, sales and marketing, engineering, customer relations and human resources. Mr. Parker has a comprehensive management background, having been with KeySpan Energy from 1971 to 2007, where he was promoted to positions of increasing responsibilities. KeySpan Energy, which was one of the largest energy companies in the United States, was acquired by National Grid in 2007. Mr. Parker is a cum laude graduate of Lehigh University and also completed the Harvard Business School Advanced Management Program. He is active in several business, civic and not-for-profit organizations. Among those organizations are First Community Bank, where he serves on the Board and is Chair of the Marketing and Compensation Committees, Centenary College, New York City Relief and Cancer Hope Network, where he is Chairman and CEO. He has won numerous awards during his career, and was inducted into the American Gas Association Hall of Fame for industry marketing contributions. Mr. Parker s extensive management and financial experience provides the Board of Directors with valuable business and management guidance. The Board of Directors has designated Mr. Parker as an audit committee financial expert pursuant to SEC rules and NASDAQ listing standards.

Mr. Repko has been a director of BioClinica since May 2011. Since May 2012, Mr. Repko is a senior vice president and the CIO (chief information officer) of Tyco and is responsible for its information technology strategy, systems and services. Before joining Tyco, he was the senior vice president and CIO of Covance, one of the world s largest drug development services companies from March 2003 to May 2012. Prior to joining Covance, Mr. Repko served as Senior Vice President & Chief Information Officer at GE American Communications - A Division of GE Capital from 1988 to 2003, and a Senior Auditor and CPA at Ernst and Young from 1985 to 1988. Mr. Repko received a Master s degree in Business Administration and Information Technology from Drexel University, and holds a Bachelor s degree in Accounting from Villanova University. He is trained and certified as a GE Six Sigma Master Black Belt. His position at Tyco and his knowledge of the clinical trials business provide relevant management and industry experience for service on the Board of Directors.

None of our directors is related to any other director or to any of our executive officers, and none of our executive officers serves as a member of the board or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our Board of Directors or Compensation Committee.

Under a prior stock purchase agreement, we had agreed to take all actions necessary to nominate and cause the election to the Board of Directors of up to three designees of Covance, Inc., a substantial stockholder of BioClinica. Such obligation terminates at such time as Covance owns less than 200,000 shares of our Common Stock. Covance has not designated a nominee for director for the 2012 or 2013 fiscal years. Covance has reserved all rights under its agreement with BioClinica for subsequent years.

The following table identifies our current executive officers:

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Name	Age	Capacities in Which Served	In Current Position Since
Mark L. Weinstein(1)	60	President and Chief Executive Officer	February 1998
Ted I. Kaminer(2)	54	Executive Vice President of Finance & Administration and Chief Financial Officer	February 2003
Peter S. Benton(3)	48	Executive Vice President, President eClinical Solutions	March 2009
Garry D. Johnson(4)	61	Executive Vice President, Chief Technology Officer	February 2012

(1) Mr. Weinstein assumed the responsibilities of Chief Financial Officer of BioClinica from January 31, 2001 to February 18, 2003, in addition to serving as our President and Chief Executive Officer.

(2) Mr. Kaminer joined BioClinica in February 2003 as our Senior Vice President and Chief Financial Officer. In March 2009, Mr. Kaminer was appointed Executive Vice President of Finance and Administration and Chief Financial Officer. Prior to joining BioClinica, he served as Chief Financial Officer and Vice President of ION Networks Inc., and Senior Vice President of Finance and Chief Financial Officer of CMPExpress. Mr. Kaminer also spent 12 years with various investment banking firms in the corporate finance area. Mr. Kaminer was previously associated with PriceWaterhouse (the predecessor of PricewaterhouseCoopers) and received his Bachelor s degree from Cornell University and MBA in finance from The Wharton School, University of Pennsylvania.

(3) Mr. Benton joined BioClinica in September 2008 as President, Phoenix Data Systems Division. In March 2009, Mr. Benton was appointed an executive officer of BioClinica and his title was changed to Executive Vice President, President eClinical Solutions. Mr. Benton was Chief Operating Officer at etrials Worldwide, Inc. from July 2007 until April 2008. Mr. Benton was also Managing Director of Wharton Venture Partners from April 2004 until July 2008. Previously, Mr. Benton held the position of Vice President, Central Planning at Johnson & Johnson Pharmaceutical Research & Development LLC from September 2001 until March 2004. Mr. Benton s experience also includes general management experience at TRW, Inc. s automotive sector and General Electric, where he started his career in the manufacturing management program. Mr. Benton holds a Bachelor s degree in Mechanical Engineering from Northeastern University and an MBA from The Wharton School, University of Pennsylvania.

(4) Mr. Johnson joined BioClinica in September 2010 as Senior Vice President and Chief Technology Officer. In February 2012, Mr. Johnson was appointed an executive officer of BioClinica and his title was changed to Executive Vice President, Chief Technology Officer. Prior to joining BioClinica, Mr. Johnson was with Dendrite International, Inc. from November 2000 until May 2007 in various positions with his last title as Senior Vice President and Global Chief Technology Officer. Mr. Johnson holds a Bachelor s degree in management from Fairfield University.

None of our executive officers are related to any other executive officer or to any director of BioClinica. Our executive officers are elected annually by the Board of Directors and serve until their successors are duly elected and qualified.

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Section 16(a) Beneficial Ownership Reporting Compliance

Our directors, our executive officers and any persons who beneficially own more than 10% of our outstanding Common Stock are subject to the requirements of Section 16(a) of the Exchange Act, which requires them to file reports with the Securities and Exchange Commission with respect to their ownership and changes in their ownership of BioClinica s Common Stock. Based upon (i) the copies of Section 16(a) reports that we received from such persons for their transactions in 2012 in the Common Stock and their Common Stock holdings, and (ii) the written representations received from one or more of such persons that no annual Form 5 reports were required to be filed by them for 2012, we believe that all reporting requirements under Section 16(a) for such year were met in a timely manner by our directors, executive officers and beneficial owners of greater than 10% of our Common Stock.

Code of Business Conduct and Ethics

We have adopted a written Code of Business Conduct and Ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or corporate controller, or persons performing similar functions. Our Code of Business Conduct and Ethics contains written standards designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents filed with the SEC;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of our Code of Business Conduct and Ethics to an appropriate person or persons identified in our Code of Business Conduct and Ethics; and
- accountability for adherence to our Code of Business Conduct and Ethics.

Each of our employees, officers and directors completed a signed certification to document his or her understanding of and compliance with our Code of Business Conduct and Ethics. A copy of our Code of Business Conduct and Ethics may be obtained from our website at www.bioclinica.com.

Director Candidates

The process followed by the Nominating and Corporate Governance Committee to identify and evaluate director candidates includes requests to Board of Directors members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Nominating and Corporate Governance Committee and the Board of Directors. The Nominating and Corporate Governance Committee nominated each of the foregoing nominees to our Board of Directors.

In considering whether to recommend any particular candidate for inclusion in the Board of Directors slate of recommended director nominees, the Nominating and Corporate Governance Committee will apply the criteria contained in the Nominating and Corporate Governance Committee s charter. These criteria include the candidate s integrity, business acumen, knowledge of our business and industry, age, diversity, experience, diligence, conflicts of interest and the ability to act in the interests of all stockholders. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. In addition, although we do not have a formal diversity policy, diversity is one of the criteria for nomination. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Board of Directors to fulfill its responsibilities.

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Stockholders may recommend individuals to the Nominating and Corporate Governance Committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than $2,000 in market value, or 1% of our Common Stock for at least one year as of the date such recommendation is made, to: Nominating and Corporate Governance Committee, c/o Corporate Secretary, BioClinica, Inc., 826 Newtown-Yardley Road, Newtown, Pennsylvania 18940. Assuming that appropriate biographical and background material has been provided on a timely basis, the Nominating and Corporate Governance Committee will evaluate stockholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others.

Audit Committee.

The primary responsibilities of the Audit Committee, as more fully set forth in the Audit Committee Charter adopted on September 1, 2000, as amended and restated on February 5, 2003, March 26, 2004 and December 13, 2011 and as previously provided and posted on our website at www.bioclinica.com include:

- appointing, approving the compensation of, and assessing the independence of, our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of certain reports from our independent registered public accounting firm;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- overseeing our internal audit function;
- discussing our risk management policies;
- establishing policies regarding hiring employees from our independent registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;

- meeting independently with our internal auditing staff, independent registered public accounting firm and management; and

- preparing the audit committee report required by SEC rules

During fiscal 2012, the Audit Committee had been, and is currently, comprised of David E. Nowicki, D.M.D., Chairman of the Audit Committee, E. Martin Davidoff, CPA, Esq., Marcello LoCastro, CPA, CITP, Wallace P. Parker and John P. Repko. The Audit Committee held four (4) regular in person meetings in fiscal 2012.

Each Audit Committee member is an independent member of the Board of Directors as defined under NASDAQ rules, including the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. As an independent director of our Board of Directors, each Audit Committee member is not an officer or employee of BioClinica or its subsidiaries and does not have a relationship which, in the opinion of our Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In addition, the Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act.

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Our Board of Directors has determined that Mr. Davidoff, Ms. LoCastro and Mr. Parker, current directors and members of the Audit Committee, are each an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K.

Item 11. Executive Compensation.

COMPENSATION OF DIRECTORS

The following table sets forth the compensation paid by us to each non-employee member of the Board of Directors for the 2012 fiscal year. Executive officers who also serve on the Board of Directors do not receive any additional compensation for such service.

2012 Director Compensation

Name	Fees Earned in Cash (a)	Restricted Stock Units/Stock Awards ($) (b)(c)	Option Awards ($) (c)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
Jeffrey H. Berg, Ph.D.	$ 50,250	$ 62,400					$ 112,650
Martin M. Coyne	$ 60,000	$ 62,400					$ 122,400
E. Martin Davidoff	$ 50,750	$ 62,400					$ 113,150
Marcella LoCastro, CPA, CITP	$ 55,750	$ 62,400					$ 118,150
David E. Nowicki, D.M.D.	$ 105,625	$ 72,800					$ 178,425
Adeoye Y. Olukotun, M.D., M.P.H.	$ 49,500	$ 62,400					$ 111,900
Wallace P. Parker, Jr.	$ 79,000	$ 62,400					$ 141,400
John P. Repko	$ 31,475	$ 78,000					$ 109,475

(a) Represents the cash retainer fees earned for service on the Board of Directors and Board of Directors committees during the 2012 fiscal year.

(b) Represents the grant-date fair value of the restricted stock units awarded to each non-employee director during the 2012 fiscal year. The applicable grant-date fair value of each award was determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718) and accordingly was calculated by multiplying the number of shares of our Common Stock subject to the award by the $5.20 fair market value per share of our Common Stock on the award date, without any adjustment for estimated forfeitures related to such service vesting. These amounts reflect BioClinica s accounting expense and do not correspond to the actual value that will be realized by each non-employee director. For information on the valuation assumptions, refer to Note 9 Stock Based Compensation of the Notes to Financial Statements in our 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2012. For further information concerning such equity awards, see the section below entitled *Equity Compensation.*

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(c) The aggregate number of restricted stock units and stock option awards outstanding at December 31, 2012 for our non-employee directors were:

Name	Aggregate Number of Shares Subject to Restricted Stock Unit Awards Outstanding on December 31, 2012	Aggregate Number of Shares Subject to Stock Option Awards Outstanding on December 31, 2012
Jeffrey H. Berg, Ph.D.	54,500	56,250
Martin M. Coyne	24,500	
E. Martin Davidoff	54,500	27,000
Marcella LoCastro, CPA, CITP	24,500	
David E. Nowicki, D.M.D.	56,500	46,250
Adeoye Y. Olukotun, M.D., M.P.H.	52,000	
Wallace P. Parker, Jr.	34,500	
John P. Repko	15,000	

General. The compensation program for non-employee directors is designed to fairly pay directors for work required for a company of BioClinica s size and scope and to align directors interests with the long-term interests of stockholders. The Compensation Committee retained J. Richard & Co., a nationally recognized independent compensation consulting firm, to review and propose a reasonable, competitive and appropriate total compensation program for our directors for the 2012 and 2013 fiscal years.

Cash Compensation. The cash retainer fees for non-employee directors for the 2012 and 2013 fiscal years are as follows:

	2012	2013
Board Retainer	$ 27,500	$ 27,500
Chairman, Board of Directors	$ 35,000	$ 35,000
Chairman, Audit Committee	$ 20,000	$ 20,000
Member, Audit Committee	$ 12,500	$ 12,500
Chairman, Compensation Committee	$ 20,000	$ 20,000
Member, Compensation Committee	$ 12,500	$ 12,500
Chairman, Nominating & Corporate Governance Committee	$ 7,500	$ 7,500
Member, Nominating & Corporate Governance Committee	$ 4,000	$ 4,000

In addition, for the 2013 fiscal year, each non-employee director will receive $1,500 for each Board meeting attended and $1,000 for each Committee meeting attended. In fiscal 2012, each non-employee director received $1,500 for each Board meeting attended and $1,000 for each Committee meeting attended.

Equity Compensation. Each non-employee director, except for Mr. Repko and Dr. Nowicki, was granted restricted stock units on May 16, 2012 covering 12,000 shares of our Common Stock. Dr. Nowicki was granted restricted stock units on May 16, 2012 covering 14,000 shares of our Common Stock as Chairman of the Board of Directors. As of May 5, 2012, Mr. Repko was no longer employed by Covance and therefore was no longer considered to be a designee of Covance to the Board. However, due to Mr. Repko s experience in the industry, the Board decided not to amend its recommendation that Mr. Repko be elected to the Board in connection with BioClinica s 2012 annual meeting of stockholders. Following Mr. Repko s re-election to the Board at BioClinica s 2012 annual meeting of stockholders, and in consideration of the fact that Mr. Repko did not receive compensation for his prior Board service, Mr. Repko was granted restricted stock units on May 16, 2012 covering

15,000 shares of our Common Stock, the standard grant issued to a new director. As of May 5, 2012, Covance does not have any other designee on our Board of Directors

For fiscal 2013, no restricted stock units will be granted to directors.

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Each restricted stock unit which vests will entitle the director to one share of Common Stock upon his or her cessation of Board of Directors service. The restricted stock units will vest as to one-twelfth (1/12) of the covered shares upon completion of each successive month of Board of Directors service over the twelve-month period measured from the grant date. The restricted stock units are subject to a pro-rata reduction if a director attends less than seventy-five percent (75%) of all Board of Directors meetings and all meetings of any committee on which he or she serves during the applicable vesting period.

All of our directors are reimbursed for their expenses for each Board of Directors meeting and each Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee meeting attended.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Objectives and Philosophy

This Compensation Discussion and Analysis details the principles underlying our compensation policies and decisions and the principal elements of compensation paid to our executive officers for fiscal 2012 and our plans for fiscal 2013. BioClinica s Chief Executive Officer, the CEO, the Chief Financial Officer, the CFO, and the other executive officers included in the Summary Compensation Table below will be referred to as the named executive officers for purposes of this discussion. The named executive officers are the only executive officers of BioClinica.

Compensation Objectives and Philosophy

The Compensation Committee, of our Board of Directors, is responsible for reviewing and approving the compensation payable to our named executive officers. As part of such process, the Compensation Committee seeks to accomplish the following objectives with respect to our executive compensation programs:

- Recruit, motivate and retain executives capable of meeting our strategic objectives;
- Provide incentives to ensure superior executive performance, successful financial results for BioClinica and the creation of value for our stockholders; and
- Align the interests of executives with the long-term interests of stockholders.

The Compensation Committee seeks to achieve these objectives by:

- Establishing a compensation structure that is both market competitive and internally fair;
- Linking a substantial portion of compensation to our achievement of financial objectives and the individual s contribution to the attainment of those objectives;
- Providing below target for underachievement and above target awards for overachievement of goals;
- Providing long-term, equity-based incentives and encouraging direct share ownership by our named executive officers; and
- Performance-based compensation in the form of short-term (including cash bonuses) and long-term incentives (including equity grants) on average constituted over 50% of fiscal 2012 total target compensation for our named executive officers.

Setting Executive Compensation

The Compensation Committee awards both short-term and long-term compensation for current performance, and also awards incentives to achieve short-term and long-term goals. Short-term compensation is typically in the form of base salary and annual cash incentive bonuses, and long-term compensation is typically in the form of equity with long-term vesting schedules. Because of the current condition of the economy, the nature of our business and the way we operate the business and implement our strategies, we may not witness for several years the positive results of many decisions made or actions taken by our named executive officers in the current fiscal year, including strategies implemented to manage risk and position us for future growth. Accordingly, the Compensation Committee, by seeking a balance of short-term and long-

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term compensation, seeks to motivate and reward named executive officers for their current decisions that may not produce immediate or short-term results, but will likely have a positive long-term effect on our business and financial results. The Compensation Committee also periodically reviews, along with the Audit Committee of the Board of Directors, any potential short-term or long-term risks as a result of our compensation policies and decisions. Currently, the Compensation Committee believes that these risks are not reasonably likely to have a material adverse effect on our business. Nonetheless, the Compensation Committee, working with the Audit Committee, seeks to mitigate any such risks to the extent possible.

The Compensation Committee has the sole authority to approve independent compensation consultant fees and terms of engagement. For fiscal 2012, the Compensation Committee engaged J. Richard & Co., or J. Richard, a nationally recognized independent compensation consulting firm, to provide competitive compensation data and general advice on our compensation programs and policies for named executive officers. J. Richard also provides consulting on the compensation of the Board of Directors; other than this consulting, J. Richard does not provide any other service to BioClinica. J. Richard performed a market analysis of the compensation paid by comparable peer group companies, with data derived from public filings and industry reports, and provided the Compensation Committee with recommended compensation ranges for the named executive officers based on the competitive data. On an annual basis, the Compensation Committee reviews J. Richard s qualifications in order to determine whether J. Richard will be re-engaged to consult with respect to our compensation programs and policies for the upcoming fiscal year.

In addition, the CEO provided the Compensation Committee with a detailed review of the performance of the other named executive officers and made recommendations to the Compensation Committee with respect to the compensation packages for those named executive officers, other than himself, for fiscal 2012.

It is the Compensation Committee s objective to target the total direct compensation (salary, target bonus and equity awards) of each named executive officer at the median level for comparable positions in our selected peer group. However, in determining the total direct compensation of each named executive officer, the Compensation Committee also considers a number of other factors, including recent BioClinica and individual performance, the CEO s recommendations as to compensation levels for named executive officers (other than himself), the named executive officer s level of responsibility, the cost of living in the Philadelphia and surrounding area and internal pay equity.

The Compensation Committee also reviews the compensation metrics of the CEO versus the other named executive officers. Although certain percentages and allocations may differ, the overall cash and equity compensation package of the CEO is not materially greater than the overall cash and equity compensation package of each other named executive officer.

There is no pre-established policy for allocation of compensation between the cash and equity components or between short-term and long-term components. Instead, the Compensation Committee determines the mix of compensation for each named executive officer based on its review of the data for comparable positions at competitive peer group companies and its analysis of that individual s performance and such individual s contribution to our financial performance and to BioClinica s long term growth.

The peer group used for competitive comparisons for fiscal 2012 reflects companies providing a similar mix of services as BioClinica and within a reasonable range of our revenues and consisted of the following companies: Accelrys, Inc., Caliper Life Sciences, Inc., Computer Programs & Systems, Inc., Demandtec, Inc., Enzo Biochem, Inc., eResearch Technology, Inc., Healthstream, Inc., Luminex Corporation, Medidata Solutions, Inc., Mediware Information Systems, Inc., Medtox Scientific, Inc., Merge Healthcare Inc., Orchid Cellmark Inc., and Vocus, Inc.

In November, 2012, the Compensation Committee engaged F.W. Cook as its compensation consultant with respect to 2013 compensation of the named executive officers.

Components of Compensation

For fiscal 2012, our executive compensation program for the named executive officers was comprised of the following components:

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- Base salary;
- Annual short-term cash incentive;
- Long-term equity incentive awards; and
- Customary benefits.

Base Salary

In General It is the Compensation Committee s objective to set a competitive rate of annual base salary for each named executive officer. The Compensation Committee believes competitive base salaries are necessary to attract and retain top quality executives, since it is common practice for public companies to provide their named executive officers with a component of compensation that provides a level of security and stability from year to year and is not dependent, to any material extent, on our financial performance. In addition, Messrs. Weinstein, Kaminer and Benton each have an existing employment agreement with BioClinica, which sets a minimum annual salary, subject to periodic upward adjustment at the discretion of the Compensation Committee or our Board of Directors.

Fiscal 2012 Base Salary The Compensation Committee worked with J. Richard to establish salary bands, based on a review of compensation awarded for comparable positions at competitive peer group companies, for the named executive officers for fiscal 2012, with minimum to maximum opportunities that cover the normal range of market variability. The review indicated that base salaries of the named executive officers were below the median (and below the 25th percentile for the CEO) of the peer group, in part because base salaries were frozen in 2010 and 2011. The actual base salary for each named executive officer was then derived from those salary bands based on his responsibility, tenure and past performance and market comparability. The CEO also provided the Compensation Committee with recommendations for base salaries for the named executive officers, other than himself. This process, together with the Compensation Committee s recognition of the cost of living in the Philadelphia and surrounding area resulted in the Compensation Committee setting the base salaries (and total target compensation) of the named executive officers approximately the median of similar positions in our selected peer group.

Mr. Johnson s salary was negotiated in connection with his employment in 2012.

The table below shows annual base salary rate increases for each named executive officer:

Name	**Title**	**2011 Salary**		**2012 Salary**		**% Increase from 2011**
Mark L. Weinstein	President & CEO	$	415,000	$	449,000	8.2%
Ted I. Kaminer	Executive VP Finance & Administration & CFO	$	310,000	$	330,000	6.5%
Peter S. Benton	Executive VP, President eClinical Solutions	$	290,000	$	305,000	5.2%
Garry D. Johnson (1)	Executive VP, Chief Technology Officer			$	290,000	

(1) Mr. Johnson became a named executive officer on February 22, 2012.

Fiscal 2013 Base Salaries On February 8, 2013, the Compensation Committee authorized an increase, effective as of March 1, 2013, in base salaries of each named executive officer as follows: Mr. Weinstein: $475,000, Mr. Kaminer: $340,000, Mr. Benton: $315,000, and Mr. Johnson: $300,000. These increases were based on F.W. Cook s review of base salaries in our peer group companies and are targeted in general at the median of similar positions in the peer group.

Annual Short-Term Cash Incentives (Bonuses)

In General As part of their compensation package, our named executive officers have the opportunity to earn annual cash bonus awards under the Management Incentive Plan, or MIP. MIP cash awards are designed to reward superior

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executive performance while reinforcing our short-term strategic operating and financial goals to maximize stockholder value. Each year, the Compensation Committee establishes a bonus target for each named executive officer set at a percentage of base salary that is the same percentage for all named executive officers, except for the CEO who has a higher percentage due to a higher level of responsibility with respect to our operations. It is the Compensation Committee s intention to target annual cash incentive awards at the median for comparable positions in our selected peer group to base a greater percentage of the annual award payout on corporate objectives as opposed to individual performance for named executive officers.

Fiscal 2012 Bonus Awards For fiscal year 2012, the Compensation Committee determined along with its compensation consultant that the 2012 bonus targets for the named executive officers should be weighted 37.5% to achievement of our non-GAAP operating income objectives, 37.5% to achievement of our service revenue objectives, and 25% to achievement of individual performance metrics and other corporate goals. The Compensation Committee believes that our continued success is driven by our ability to grow revenues and operating profits and accordingly, revenue and operating income were the appropriate financial metrics for the plan.

Target bonuses were set at 100% of base salary for our CEO and 90% of base salary for our other named executive officers. The potential payout of the portion of the bonus attributable to each of our operating income and revenue targets ranged from 50% to 120% of target bonus allocated to such goals for our CEO and from 50% to 100% of target bonus allocated to such goals for our other named executive officers. The portion of the bonus attributable to individual performance metric and other corporate goals ranged from 0% to 100% of target bonus allocated to such goals based on the Compensation Committee s subjective evaluation of the level attainment of such goals. However, the Compensation Committee had the discretion to increase the award for any named executive officer (other than the CEO) based on the CEO s recommendation for exceptional performance. The Compensation Committee also retained the discretion to reduce the dollar amount of the awards otherwise payable to the named executive officers in connection with the underachievement of pre-established operating income and revenue performance targets.

The individual performance goals and other corporate goals were identical for all our named executive officers and may be summarized as follows:

- Provide agreed to updates to the board including on succession planning, strategic plan and annual operating budget.
- Certain operational matters including completing management review and filling certain leadership and senior positions.
- Attaining target amount of signings.

Each named executive officer could be awarded from 0% to 25% of his target bonus based on the Compensation Committee s subjective amount of the attainment of these goals.

The actual bonus amount awarded to each named executive officer for fiscal 2012 was determined by the Compensation Committee on the basis of its review of both our performance and the individual named executive officer s performance.The CEO provided a review of performance by the named executive officers, other than himself, for fiscal 2012 for the Compensation Committee s consideration. The Compensation Committee determined that our service revenue and our non-GAAP operating income for fiscal 2012 were attained at the threshold levels and that the individual performance and other corporate goals were attained at the 50% level. Based on that assessment, the Compensation Committee determined in 2013 to make the bonus awards for fiscal 2012 performance to the CEO and the other named executive officers as set forth in the table below:

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Name	Title	2012 Base Bonus ($)	2012 Base Bonus (% Salary)	2012 Actual Bonus ($)	2012 Actual Bonus (% Salary)
Mark L. Weinstein	President & CEO	$ 224,500	50.0%	$ 224,500	50.0%
Ted I. Kaminer	Executive VP Finance & Administration & CFO	$ 148,500	45.0%	$ 148,500	45.0%
Peter S. Benton	Executive VP, President, eClinical Division	$ 137,250	45.0%	$ 137,250	45.0%
Garry D. Johnson	Executive VP, Chief Technology Officer	$ 130,500	45.0%	$ 130,500	45.0%

Fiscal 2013 Bonus Awards The MIP for fiscal year 2013 is generally the same as the plan for fiscal year 2012 with 85% weighted on attainment of pre-specified performance targets based on the business plan for fiscal year 2013 and 15% weighted on attainment of individual performance metrics and other corporate goals. The target bonus for our CEO is 150% of his base salary (with a potential payout range from 75% of base salary for threshold performance to 180% of base salary for maximum performance). The bonus target for our other named executive officers is 100% of base salary (with a potential payout range from 50% of base salary for threshold performance to 100% of base salary for target performance). As reflected by the change in MIP Target percentages described above, the Compensation Committee, following consultation with F.W. Cook, decided to shift a percentage of each executive s compensation from base salary to short-term cash incentives and long-term equity incentives.

Long-Term Incentive Equity Awards

In General - A portion of each named executive officer s compensation is provided in the form of long-term incentive equity awards. It is the Compensation Committee s belief that properly structured equity awards are an effective method of aligning the long-term interests of senior management with those of our stockholders.

The Compensation Committee establishes long-term incentive grant guidelines based on a review of equity awards from competitive peer group companies. Equity awards to the CEO are determined by the Compensation Committee based on his individual performance and our financial performance, usually measured in terms of the same financial metrics taken into account in determining the annual bonus award. Equity awards to other named executive officers and other employees are based on the recommendation of the CEO and a review by the Compensation Committee. Actual grants for such individuals are based on individual performance with respect to predetermined objectives, competitive total compensation amounts, internal equity pay considerations, the potential impact on stockholder dilution and compensation expense to us. The Compensation Committee follows a grant practice of tying equity awards to its annual year-end review of individual performance and its assessment of BioClinica performance. Accordingly, it is typical practice that any equity awards to the named executive officers will be made on an annual basis after the release of our year end financials, which permits material information regarding our performance for the prior fiscal year to be disclosed to the public before any equity grants are made to our named executive officers.

We currently grant equity awards in the form of restrict stock units. It is the Compensation Committee s belief that restricted stock unit grants are essential to the retention of the named executive officers and crucial to our long-term financial success. The vesting schedules for the restricted stock units provide a meaningful incentive for the named executive officer to remain in our service and work to continuously increase shareholder value. These equity awards also serve as an important vehicle to achieve the Compensation Committee s objective of aligning management and stockholder interests. RSUs are less dilutive to shareholders than traditional option grants in terms of the number of shares issuable under those RSU awards and provide a more direct correlation between the compensation cost we must record for financial accounting purposes and the value delivered to the executive officers. In addition, RSUs continue to have value even in periods of declining stock prices and thereby provide a less risky equity compensation program than that associated with option grants that only have value to the extent the price of the underlying stock appreciates over the option term.

Fiscal 2012 Awards On February 10, 2012, based upon our financial performance and the CEO s individual performance during fiscal 2012 and the recommendation from the Compensation Committee s compensation consultant, the

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Compensation Committee awarded the CEO 75,000 restricted stock units that vest quarterly over three years; the underlying Common Stock will be issued at the time the restricted stock units vest. On February 10, 2012, based upon our financial performance and the named executive officer s individual performance during fiscal 2011 and the recommendation of the CEO, as reviewed by the Compensation Committee s compensation consultant, the Compensation Committee also awarded each of the other named executive officers 60,000 restricted stock units that vest quarterly over four years; the underlying Common Stock will be issued at the time the restricted stock units vest. Each award will vest in full upon a change in control. The number of restricted stock units was calculated such that the grant date value of the equity awards would equal 25% to 50% of the executive s total target compensation.

Fiscal 2013 Awards On February 8, 2013, the Compensation Committee awarded the CEO 80,000 restricted stock units and each of our other named executive officers 60,000 restricted stock units that vest as set forth above for the restricted stock units granted in 2012.

Other Benefits

In General The named executive officers are offered the same benefits that are provided to other employees and are not offered any additional benefits or perquisites.

Other Benefits - All eligible employees, including named executive officers, are eligible to receive standard health, disability and life insurance, participation in the BioClinica Employees Savings Plan (401(k)), and professional development benefits.

Executive Retention Agreement and CEO Employment Agreement

Executive Retention Agreement - On December 31, 2008, we entered into an amended form of executive retention agreement with the named executive officers and certain of our other officers. The agreement generally provides for payments of up to 24 months salary and target bonus for the CEO and named executive officers in the event that the CEO and named executive officers are terminated or resign for good reason in connection with a change of control transaction. In addition, each unvested stock option or other equity award will vest immediately upon a change in control transaction. Each executive retention agreement is either reviewed annually or in connection with the renewal of the executive s employment agreement. The executive retention agreement has been designed to provide a level of financial security to the named executive officers that will assure their continued attention and commitment to our strategic business objectives, even in change in control situations where their continued employment may be uncertain. The severance benefits payable in connection with a change in control provide financial protection against any potential loss of employment that might otherwise occur as a result of an acquisition of BioClinica and will allow the named executive officers to focus their attention on acquisition proposals that are in the best interests of the stockholders, without undue concern as to their own financial situation. We also believe the vesting acceleration of their equity awards upon a change in control is justified because those awards are designed to serve as the primary vehicle for the named executive officers to accumulate financial resources for retirement, and a change in control event is an appropriate liquidation point for awards intended for such purpose. We do not provide our named executive officers with any defined benefit pension plan or supplemental executive retirement plan, and the only other opportunities for the accumulation of retirement funds is through the limited deferral opportunities provided under BioClinica s 401(k) savings plan.

Employment Agreements On February 22, 2012, we entered into a new employment agreement with Mr. Weinstein. We also have existing employment agreement with Messrs. Kaminer and Benton. The principal terms of the employment agreements are summarized in the section below entitled Employment Contracts, Termination of Employment and Change-in-Control Arrangements.

Tax Deductibility of Compensation

Under Section 162(m) of the Internal Revenue Code, a publicly-held company such as BioClinica is not allowed a federal income tax deduction for compensation paid to certain executive officers to the extent that compensation exceeds $1.0 million per covered officer in any year. The limitation applies only to compensation that is not performance based. Non-

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performance based compensation paid to our covered executive officers for fiscal 2011 did not exceed the $1.0 million limit per officer, and the Compensation Committee does not anticipate that the non-performance based compensation to be paid to our named executive officers for fiscal 2012 will exceed that limit. To qualify for an exemption from the $1.0 million deduction limitation, the stockholders approved BioClinica s 2010 Stock Incentive Plan that imposed a limit on the maximum number of shares of Common Stock for which any one participant may be granted stock options per calendar year. As a result of that limitation, the compensation deemed paid to a named executive officer in connection with the exercise of options granted under the 2010 Stock Incentive Plan after that date with an exercise price equal to the fair market value of the option shares on the grant date should in most instances qualify as performance-based compensation that will not be subject to the $1.0 million limitation.

However, the Compensation Committee believes that when establishing the cash and equity incentive compensation programs for our named executive officers, the potential deductibility of the compensation payable under those programs should be only one of a number of relevant factors taken into consideration, and not the sole governing factor. For that reason the Compensation Committee may deem it appropriate to provide one or more named executive officer with the opportunity to earn incentive compensation, whether through cash bonus programs tied to our financial performance, or equity incentive grants tied to the named executive officer s continued service (such as service-vesting restricted stock or restricted stock unit awards), which may be in excess of the amount deductible by reason of Section 162(m) or other provisions of the Internal Revenue Code. The Compensation Committee believes it is important to maintain cash and equity incentive compensation at the requisite level to attract and retain the named executive officers essential to our financial success, even if all or part of that compensation may not be deductible by reason of the Section 162(m) limitation.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed that Analysis with management. Based on its review and discussions with management, the Compensation Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K . This report is provided by the following independent directors, who comprise the Compensation Committee:

By the Compensation Committee of the Board of Directors of BioClinica, Inc.

/s/ Wallace P. Parker, Jr.
Wallace P. Parker, Jr.
Compensation Committee Chairman

/s/ Jeffrey H. Berg, Ph.D.
Jeffrey H. Berg, Ph.D.
Compensation Committee Member

/s/ Martin M. Coyne
Martin M. Coyne
Compensation Committee Member

/s/ Adeoye Y. Olukotun, M.D., M.P.H.,
Adeoye Y. Olukotun, M.D., M.P.H.
Compensation Committee Member

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Summary Compensation Table

The following Summary Compensation Table sets forth information concerning compensation earned for services rendered in all capacities to us and our subsidiaries for the years ended December 31, 2012, 2011 and 2010. Information regarding the compensation of our Chief Executive Officer, our Chief Financial Officer and our other executive officers whose total compensation for the 2012 fiscal year exceeded $100,000 (collectively, the Named Executive Officers) is set forth below. No other executive officers who would have been otherwise includable in such table on the basis of their total compensation for the 2012 fiscal year have been excluded by reason of their termination of employment or change in executive status during that year.

Name and Principal Position	Year	Salary	Bonus (a)	Stock Awards/ Restricted Stock Units ($) (b)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($) (c)	Total ($)
Mark L. Weinstein	2012	$ 443,300	$ 224,500	$ 417,750					$ 1,085,550
President, Chief Executive	2011	$ 407,900	$ 207,500	$ 280,800					$ 896,200
Officer	2010	$ 370,000	$ 143,000	$ 175,600					$ 688,600
Ted I. Kaminer	2012	$ 326,600	$ 148,500	$ 334,200					$ 809,300
Executive Vice President	2011	$ 303,600	$ 139,500	$ 187,200					$ 630,300
Finance & Administration,									
Chief Financial Officer	2010	$ 270,000	$ 94,000	175,600					$ 539,600
Peter S. Benton	2012	$ 302,500	$ 137,250	$ 334,200					$ 773,950
Executive Vice President,	2011	$ 285,200	$ 130,500	$ 187,200					$ 602,900
President eClinical									
Solutions	2010	$ 260,000	$ 91,000	175,600					$ 526,600
Garry D. Johnson	2012	$ 281,600	$ 130,500	$ 334,200					$ 746,300
Executive Vice President,									
Chief Technology Officer									

(a) Represents amounts paid under our corporate bonus plan based on our Compensation Committee s review of corporate performance and individual achievements. The bonuses earned in the year stated were paid in March of the following year.

(b) Represents the aggregate grant-date fair value of the restricted stock units awarded to the Named Executive Officer for the applicable year, calculated in accordance with FASB ASC Topic 718, and does not take into account estimated forfeitures. These amounts reflect BioClinica s accounting expense and do not correspond to the actual value that will be realized by each Named Executive Officer. The grant date fair value of each stock award/restricted stock unit awarded was $5.57 in 2012, $4.68 in 2011 and $4.39 in 2010. For information on the valuation assumptions, refer to Note 9 Stock Based Compensation of the Notes to Financial Statements in our 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2012.

(c) In accordance with the rules of the Securities and Exchange Commission, other compensation in the form of perquisites and other personal benefits have been omitted in those instances where such perquisites and other personal benefits constituted less than $10,000 for the Named Executive Officer for the fiscal year.

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Grants of Plan-Based Awards in 2012 Table

The following table sets forth summary information regarding all grants of plan-based awards made to the Named Executive Officers during the year ended December 31, 2012. As of the end of 2012, none of the Named Executive Officers held any equity incentive awards subject to performance vesting requirements, and no non-equity incentive awards were made during the 2012 fiscal year.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#) (a)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($/Sh)**	**Grant Date Fair Value of Stock and Option Awards ($) (b)**
Mark L. Weinstein	02/10/2012							75,000			$ 417,750
Ted I. Kaminer	02/10/2012							60,000			$ 334,200
Peter S. Benton	02/10/2012							60,000			$ 334,200
Garry D. Johnson	02/10/2012							60,000			$ 334,200

(a) Represents the number of shares that will vest and become issuable pursuant to a restricted stock award. The shares underlying the award will vest and become issuable in successive equal quarterly installments based on the Named Executive Officer s continued service to the company over a four-year (three- year for Mr. Weinstein) period measured from the Grant Date

(b) Represents the aggregate grant-date fair value of the restricted stock units awarded to the Named Executive Officer for the applicable year, calculated in accordance with FASB ASC Topic 718 and does not take into account estimated forfeitures. These amounts reflect BioClinica s accounting expense and do not correspond to the actual value that will be realized by each Named Executive Officer. The grant-date fair value of each stock award/restricted stock unit awarded was $5.57. The grant date fair values have been determined based on the assumptions and methodologies set forth in Note 9 Stock Based Compensation of the Notes to Financial Statements in our 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2012.

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Outstanding Equity Awards at 2012 Fiscal Year-End Table

The following table sets forth summary information regarding the outstanding equity awards held by the Named Executive Officers at December 31, 2012. As of the end of the 2012 fiscal year, none of the Named Executive Officers held any unearned equity incentive plan awards subject to performance vesting requirements.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($) (a)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Mark L. Weinstein						3,333(f)	$ 19,067		
						25,000(f)	$ 143,000		
						56,250(f)	$ 321,750		
Ted I. Kaminer	6,500			$ 3.05	02/06/2013	12,500(g)	$ 71,500		
	25,000			$ 7.03	02/09/2014	22,500(g)	$ 128,700		
	15,000			$ 4.00	03/01/2013	48,750(g)	$ 278,850		
	15,000			$ 8.06	02/27/2014				
	19,333	667(b)		$ 7.72	02/27/2015				
	38,333	1,667(c)		$ 3.04	02/26/2016				
Peter S. Benton	100,000			$ 7.72	09/30/2015	12,500(g)	$ 71,500		
	38,333	1,667(c)		$ 3.04	02/26/2016	22,500(g)	$ 128,700		
						48,750(g)	$ 278,850		
Garry D. Johnson	10,000	10,000(d)		$ 3.44	02/10/2010	48,750(h)	$ 278,850		
	25,000	4,583(e)	5,417	$ 4.68	02/18/2018				

(a) Market value based on $5.72 fair value of BioClinica s Common Stock at December 31, 2012.

(b) Each of these options will vest as to 20% of the option shares upon completion of one year of service measured from the February 27, 2008 grant date, and the remainder will vest in successive equal monthly increments over the next four years of continued service thereafter.

(c) Each of these options will vest in successive equal monthly increments over the next four years of continued service measured from the February 26, 2009 grant date.

(d) Each of these options will vest as to 25% of the option shares upon completion of one year of service measured from the September 10, 2010 grant date, and 25% every year thereafter for three years.

(e) Each of these options will vest in successive equal monthly increments over the next four years of continued service measured from the February 11, 2011 grant date.

(f) Represents the number of shares that will vest and become issuable pursuant to a restricted stock unit award covering 40,000 shares, 60,000 shares and 75,000 shares granted on February 11, 2010, February 18, 2011 and February 10, 2012 respectively. The shares underlying the award will vest and become issuable in successive equal quarterly installments based on the Named Executive Officer s continued service to the company over a three-year period measured from the grant date.

(g) Represents the number of shares that will vest and become issuable pursuant to a restricted stock unit award covering 40,000 shares, 40,000 shares and 60,000 shares granted on February 11, 2010, February 18, 2011 and February 10, 2012 respectively. The shares underlying the award will vest and become issuable in successive equal quarterly installments based on the Named Executive Officer s continued service to the company over a four-year period measured from the Grant Date.

(h) Represents the number of shares that will vest and become issuable pursuant to a restricted stock unit award covering 60,000 shares granted on February 10, 2012. The shares underlying the award will vest and become issuable in successive equal quarterly installments based on the Named Executive Officer s continued service to the company over a four-year period measured from the Grant Date.

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Option Exercises and Stock Vested Table for Fiscal 2012

The following table summarizes the option exercises and vesting of stock awards for each of the Named Executive Officers for the year ended December 31, 2012:

	Option Awards			Stock Awards		
Name	**Number of Shares Acquired on Exercise (#)**		**Value Realized on Exercise ($) (a)**	**Number of Shares Acquired on Vesting (#)**		**Value Realized on Vesting ($) (b)**
Mark L. Weinstein				52,083	$	287,915
Ted I. Kaminer	63,654	$	161,954	31,250	$	172,750
Peter S. Benton				31,250	$	172,750
Garry D. Johnson				11,250	$	62,100

(a) Value realized is determined by multiplying (i) the amount by which the market price of the Common Stock on the date of exercise exceeded the exercise price by (ii) the number of shares for which the option was exercised.

(b) Value realized is determined by multiplying (i) the market price of the Common Stock on the applicable vesting date by (ii) the number of shares that vested on that date.

Pension Benefits Table

BioClinica does not have any defined benefit pension plans.

Nonqualified Deferred Compensation Table

BioClinica does not have any nonqualified deferred compensation.

Employment Contracts, Termination of Employment, and Change-in-Control Arrangements

Executive Retention Agreements

We have entered into an executive retention agreement with each of our Named Executive Officers and certain other officers of BioClinica. Pursuant to the terms of those agreements, in the event a Named Executive Officer s employment is terminated without cause or such executive resigns for good reason within 60 days prior to a change in control or within 24 months following a change in control, the executive will become entitled to the following payments and benefits:

- A pro-rated cash bonus payment based on the greater of (A) the Named Executive Officer s largest annual bonus for the most recently completed 3 fiscal years and (B) the Named Executive Officer s target annual bonus at time of termination. Such payment will become payable in a lump sum within 30 days following the Named Executive Officer s termination date.

- A cash payment in an amount equal to (A) 1.5 (2.0 for Mr. Weinstein) multiplied by (B) the sum of (x) the greater of (i) the Named Executive Officer s annual base salary for the most recently completed fiscal year or (ii) the Named Executive Officer s current annual base salary at the time of termination and (y) the greater of (i) the Named Executive Officer s largest annual bonus for the most recently completed 3 fiscal years and (ii) the Named Executive Officer s target annual bonus at time of termination. Such

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payment will become payable in 18 (24 for Mr. Weinstein) equal monthly installments beginning within 30 days following the Named Executive Officer s termination date.

- Each outstanding option to purchase shares of BioClinica s Common Stock held by the Named Executive Officer at the time of termination shall automatically become fully vested and exercisable and each outstanding restricted stock award shall automatically become fully vested. Each option shall remain so exercisable until the expiration date of the option term or (if earlier) the termination of that option in accordance with the provisions of the applicable stock option agreement.

- Up to 18 months (24 Months for Mr. Weinstein) of continued COBRA coverage at BioClinica s expense, plus, a tax gross up payment in the event the continued COBRA coverage results in the recognition of taxable income by the Named Executive Officer. Any tax gross-up payment will generally be paid at the time the related tax is remitted to the appropriate tax authorities.

- A lump sum cash payment, not to exceed $15,000, to cover the cost to obtain post-employment continued coverage under life and accidental death or dismemberment insurance and disability insurance plans for a period of 18 months (24 Months for Mr. Weinstein) following the Named Executive Officer s termination date.

- For purposes of determining eligibility of the Named Executive Officer for retiree benefits to which he is entitled, he shall be considered to have remained employed by BioClinica until 18 months following his termination date.

- A tax gross up payment for any Internal Revenue Code Section 280G Excise Tax Liability. The tax gross-up payment will generally be paid at the time the related excise tax is remitted to the appropriate tax authorities.

Mr. Weinstein Employment Agreement

On February 22, 2012, we entered into an employment agreement with Mr. Weinstein. The term of the agreement is three years; beginning on February 29, 2012 and ending on February 28, 2015. The terms and conditions of the employment agreement are: (i) an annual base salary, currently $475,000, in addition to certain benefits and perquisites; (ii) cash bonuses in amounts that are to be determined by the Compensation Committee of the Board of Directors in accordance with BioClinica s management incentive policy; and (iii) equity incentive compensation awards from BioClinica s incentive compensation plans on a basis commensurate with Mr. Weinstein s position and responsibility at the sole discretion of the Compensation Committee. In the event that Mr. Weinstein s employment is terminated without cause, or in the event Mr. Weinstein resigns for good reason, subject to his timely execution of a release of claims, he will receive (i) continued payment of his base salary for a period of 12 months, (ii) 6 cash payments in an aggregate amount equal to the bonus paid to Mr. Weinstein for the fiscal year immediately preceding the fiscal year in which his termination occurs, (iii) continued health care coverage for a period of 120 days, and (iv) a lump sum cash payment in an amount not to exceed $15,000, representing the cost of certain lost benefits. In the event Mr. Weinstein s employment is terminated for reasons other than cause, death or disability, or in the event Mr. Weinstein resigns for good reason, both within a specified time period before or after a change of control of BioClinica, subject to his timely execution of a release of claims, Mr. Weinstein will also receive a grant of 225,000 unregistered securities of BioClinica less the number of shares subject to any equity awards granted to him during the term of his employment agreement (or other consideration provided to stockholders in connection with a change of control), payable within 5 days after the triggering event, or, if later, Mr. Weinstein s execution of the release.

In the event Mr. Weinstein becomes entitled to a payment under his Executive Retention Agreement, he will receive payments solely pursuant to that agreement, except, he shall also become entitled to the grant of unregistered shares pursuant to the terms of his Employment Agreement.

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Mr. Kaminer Employment Agreement

On February 24, 2010, we entered into an amended and restated employment agreement with Mr. Kaminer for an initial term of one-year, which automatically renews each year unless otherwise terminated by our Board of Directors. The employment agreement provides for an annual base salary, currently $340,000, subject to periodic increase at the discretion of the Compensation Committee in addition to certain benefits and perquisites, and incentive compensation awards under our incentive compensation plans on a basis commensurate with his position and responsibility. In the event Mr. Kaminer is terminated without cause or he resigns for good reason, he will become entitled to the following payments, subject to his timely execution of a release of claims: (i) salary and benefit continuation (including continued vesting of stock options and health care coverage at BioClinica s expense) for a period of 180 days, (ii) a pro-rated bonus (the proration period to include the 180 day salary continuation period), and (iii) a lump sum cash payment in the amount of $5,000.

Mr. Kaminer s Employment Agreement provides for the automatic accelerated vesting of all of his outstanding stock options and other equity awards in the event of a change in control of BioClinica, and (if applicable) each such award shall remain exercisable for a period of not less than one (1) year after the date of the change in control.

Mr. Benton Employment Agreement

On September 30, 2008, we entered into an employment agreement with Mr. Benton for an initial term of one-year, which automatically renews each year unless otherwise terminated by our Board of Directors. The terms and conditions of the employment agreement are: (i) an annual base salary, currently $315,000, subject to periodic increase at the discretion of the Compensation Committee in addition to certain benefits and perquisites; (ii) incentive compensation awards under our incentive compensation plans on a basis commensurate with his position and responsibility; and (iii) an option to purchase 100,000 shares of our Common Stock, with an exercise price of $7.72 per share, the fair market value of our Common Stock on the date of the execution of his employment agreement. In the event Mr. Benton is terminated without cause or he resigns for good reason, he will become entitled to the following payments, subject to his timely execution of a release of claims: (i) salary and benefit continuation (including continued vesting of stock options and health care coverage at BioClinica s expense) for a period of 180 days, (ii) a pro-rated bonus (the proration period to include the 180 day salary continuation period), and (iii) a lump sum cash payment in the amount of $5,000.

In the event Mr. Benton becomes entitled to a payment under his Executive Retention Agreement, he will receive payments solely pursuant to that agreement.

Compensation Committee Interlocks and Insider Participation

Except for Mr. Weinstein, none of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our Board of Directors or Compensation Committee. None of the members of our Compensation Committee has ever been our employee or one of our officers.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Security Ownership of Certain Beneficial Owners and Management

There are, as of February 8, 2013, 69 holders of record and approximately 2,400 beneficial holders of our Common Stock. The following table sets forth certain information, as of February 8, 2013, with respect to holdings of our Common Stock by (i) each person known by us to be the beneficial owner of more than 5% of the total number of shares of our Common Stock outstanding as of such date, (ii) each of our directors (which includes all nominees), and Named Executive Officers, and (iii) all directors and executive officers as a group. Except as otherwise indicated in the footnotes to the table or for shares of our Common Stock held in brokerage accounts, which may from time to time, together with

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other securities held in those accounts, serve as collateral for margin loans made from such accounts, none of the shares reported as beneficially owned are currently pledged as security for any outstanding loan or indebtedness.

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
(i) Certain Beneficial Owners:		
Covance Inc. 210 Carnegie Center Princeton, New Jersey 08540	2,355,000	15.0%
Wellington Trust Company, NA 75 State Street Boston, MA 02109	1,468,571(3)	9.4%
Heartland Advisors, Inc. 789 N. Water St., Suite 500 Milwaukee, WI 53202	1,300,000(3)	8.3%
(ii) Directors, Nominees, and Named Executive Officers:		
Mark L. Weinstein	489,548(4)	3.1%
Ted I. Kaminer	208,199(5)	1.3%
Peter S. Benton	185,398(6)	1.2%
Garry D. Johnson	26,437(7)	*
Jeffrey H. Berg, Ph.D.	155,750(8)	1.0%
Martin M. Coyne	22,500(9)	
E. Martin Davidoff, CPA, Esq.	90,430(10)	*
Marcella LoCastro, CPA, CITP	25,750(11)	
David E. Nowicki, D.M.D.	231,788(12)	1.5%
Adeoye Y. Olukotun, M.D., M.P.H.	50,000(13)	*
Wallace P. Parker, Jr.	42,700(14)	*
John P. Repko	12,500(15)	
(iii) All directors and executive officers as a group (12 persons)	1,538,000(4)(5)(6)(7)(8)(9)(10)(11)(12)(13)(14)(15)	9.4%

* Less than 1%

(1) Except as otherwise indicated, all shares are beneficially owned and sole investment and voting power is held by the persons named. Except as otherwise indicated, the address of each beneficial owner is c/o BioClinica, Inc. 826 Newtown-Yardley Road, Newtown, PA 18940.

(2) Applicable percentage of ownership is based on 15,703,568 shares of Common Stock outstanding, plus any Common Stock equivalents and options or warrants held by such holder, which are presently exercisable or will become exercisable within 60 days after February 8, 2013.

(3) Such information is based upon our review of a Schedule 13F filed by the holder with the SEC for the period ended September 30, 2012.

(4) Includes 40,000 shares of Common Stock that will become issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual were he to resign from BioClinica as of that date. Includes 14,583 shares of Common Stock that will be issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual. Excludes 70,000 shares of Common Stock underlying restricted stock units which vest over time after such period. Excludes 80,000 shares of Common Stock underlying restricted stock units granted on February 8, 2013 which vest over time after such period.

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(5) Includes 115,000 shares of Common Stock issuable pursuant to presently exercisable options or options which will become exercisable within 60 days after February 8, 2013. Includes 8,750 shares of Common Stock that will be issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual. Excludes 75,000 shares of Common Stock underlying restricted stock units which become exercisable over time after such period. Excludes 60,000 shares of Common Stock underlying restricted stock units granted on February 8, 2013 which vest over time after such period.

(6) Includes 140,000 shares of Common Stock issuable pursuant to presently exercisable options or options which will become exercisable within 60 days after February 8, 2013. Includes 8,750 shares of Common Stock that will be issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual. Excludes 75,000 shares of Common Stock underlying restricted stock units which become exercisable over time after such period. Excludes 60,000 shares of Common Stock underlying restricted stock units granted on February 8, 2013 which vest over time after such period.

(7) Includes 15,208 shares of Common Stock issuable pursuant to presently exercisable options or options which will become exercisable within 60 days after February 8, 2013. Includes 3,750 shares of Common Stock that will be issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual. Excludes 14,792 shares of Common Stock underlying options and 45,000 shares of Common Stock underlying restricted stock units which become exercisable over time after such period. Excludes 60,000 shares of Common Stock underlying restricted stock units granted on February 8, 2013 which vest over time after such period.

(8) Includes 56,250 shares of Common Stock issuable pursuant to presently exercisable options or options which will be exercisable within 60 days after February 8, 2013. Includes 52,500 shares of Common Stock that will become issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual were he to resign from the Board of Directors as of that date. Excludes 2,000 shares of Common Stock underlying restricted stock units which become exercisable over time after such period.

(9) Represents 22,500 shares of Common Stock that will become issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual were he to resign from the Board of Directors as of that date. Excludes 2,000 shares of Common Stock underlying restricted stock units which become exercisable over time after such period.

(10) Includes 27,000 shares of Common Stock issuable pursuant to presently exercisable options or options which will be exercisable within 60 days after February 8, 2013. Includes 52,500 shares of Common Stock that will become issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual were he to resign from the Board of Directors as of that date. Excludes 2,000 shares of Common Stock underlying restricted stock units which become exercisable over time after such period.

(11) Includes 22,500 shares of Common Stock that will become issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual were she to resign from the Board of Directors as of that date. Excludes 2,000 shares of Common Stock underlying restricted stock units which become exercisable over time after such period.

(12) Includes 46,250 shares of Common Stock issuable pursuant to presently exercisable options or options which will be exercisable within 60 days after February 8, 2013. Includes 54,167 shares of Common Stock that will become issuable within 60 days after

February 8, 2013 pursuant to restricted stock units held by such individual were he to resign from the Board of Directors as of that date. Excludes 2,333 shares of Common Stock underlying restricted stock units which become exercisable over time after such period.

(13) Represents 50,000 shares of Common Stock that will become issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual were he to resign from the Board of Directors as of that date. Excludes 2,000 shares of Common Stock underlying restricted stock units which become exercisable over time after such period.

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(14) Includes 32,500 shares of Common Stock that will become issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual were he to resign from the Board of Directors as of that date. Excludes 2,000 shares of Common Stock underlying restricted stock units which become exercisable over time after such period.

(15) Represents 12,500 shares of Common Stock that will become issuable within 60 days after February 8, 2013 pursuant to restricted stock units held by such individual were he to resign from the Board of Directors as of that date. Excludes 2,500 shares of Common Stock underlying restricted stock units which become exercisable over time after such period.

Equity Compensation Plan Information

The following table provides information as of December 31, 2012 with respect to shares of our Common Stock that may be issued under our existing equity compensation plans:

Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)**		**Weighted Average Exercise Price of Outstanding Options (2)**	**Number of Securities Available for Future Issuance Under Equity Compensation Plans**
Equity compensation plans that have been approved by security holders	2,242,642	$	5.39	850,249(3)
Equity compensation plans not approved by security holders				
Total	2,242,642	$	5.39	850,249(3)

(1) Includes (i) 471,250 options outstanding under the 2010 Plan (ii) 1,114,558 options outstanding under the 2002 Plan (iii) 409,334 shares subject to restricted stock units outstanding under the 2010 Plan and (iv) 247,500 shares subject to restricted stock units outstanding under the 2002 Plan.

(2) Calculated without taking into account the 656,834 shares of Common Stock subject to outstanding restricted stock units that become issuable at a designated time following the vesting of those units, without any cash consideration or other payment required for such shares.

(3) Represents shares of our Common Stock issuable pursuant to the 2010 Plan. Shares reserved for issuance under the 2010 Plan may be issued upon the exercise of stock options or through direct stock issuances or pursuant to restricted stock units that vest upon the attainment of prescribed performance milestones or the completion of designated service periods.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Transactions with Related Persons, Promoters and Certain Control Persons

On October 13, 1994, BioClinica and Covance Inc. entered into an agreement whereby Covance purchased: (i) 2,355,000 shares of our Common Stock; (ii) a warrant to purchase 250,000 shares of our Common Stock with an initial exercise price of $1.25 per share; and (iii) a warrant to purchase 250,000 shares of our Common Stock with an initial exercise price of $1.50 per share (the Warrants), for an aggregate purchase price of $1,819,500. The Warrants expired on October 13, 1998 without being exercised. Pursuant to

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the above agreement, we have agreed to take all actions necessary to nominate and cause the election to the Board of Directors of up to three designees of Covance Inc. Covance Inc. did not nominate a designee to serve on our Board of Directors for the 2012 or 2013 fiscal years.

Review, Approval or Ratification of Transaction with Related Persons

Our Audit Committee reviews all related party transactions on an ongoing basis and all such transactions between BioClinica and a director or officer are reviewed by the Audit Committee and approved by the entire Board of Directors.

Board Determination of Independence

Under NASDAQ rules, a director will only qualify as an independent director if, in the opinion of our Board of Directors, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our Board of Directors has determined that each of Dr. Berg, Mr. Coyne, Mr. Davidoff, Ms. LoCastro, Dr. Nowicki, Dr. Olukotun, Mr. Parker and Mr. Repko do not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is an independent director as defined under Rule 5605(a)(2) of the NASDAQ Marketplace Rules.

Item 14. Principal Accounting Fees and Services.

The following table summarizes the fees of PricewaterhouseCoopers LLP, our independent registered public accounting firm, billed for each of the last two fiscal years for audit services and other services:

	2012	**2011**
Audit Fees (1)	574,000	510,000
Audit-Related Fees (2)	19,100	26,200
Tax Fees (3)	12,650	80,000
Total Audit, Audit Related and Tax Fees	605,750	616,200
Other Non-audit Fees:		
All Other Fees (4)	1,800	1,500
Total-Other Fees	1,800	1,500
Total Fees	607,550	617,700

(1) Consists of fees for professional services rendered in connection with the audit of our financial statements for the year ended December 31, 2012 and December 31, 2011, and the reviews of the financial statements included in each of our Quarterly Reports on Form 10-Q during the years ended December 31, 2012 and December 31, 2011.

(2) Consists of fees for the statutory audit of our French and Indian subsidiaries.

(3) Consists of fees incurred during the years ended December 31, 2012 and December 31, 2011 relating to our tax compliance and tax planning.

(4) Consists of fees for a subscription to Comperio, an accounting literature database.

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Pre-Approval Policies and Procedures

None of the audit-related fees billed in 2012 and 2011 related to services required pre-approval by the Audit Committee due to the de minimis exception to the Audit Committee pre-approval requirements.

The Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent auditor. This policy generally provides that we will not engage our independent auditor to render audit or non-audit services unless the service is specifically approved in advance by the Audit Committee or the engagement is entered into pursuant to one of the pre-approval procedures described below.

From time to time, the Audit Committee may pre-approve specified types of services that are expected to be provided to us by our independent auditor during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount.

The Audit Committee has also delegated to the chairman of the Audit Committee the authority to approve any audit or non-audit services to be provided to us by our independent auditor. Any approval of services by a member of the Audit Committee pursuant to this delegated authority is reported on at the next meeting of the Audit Committee.

Item 15. Exhibits, Financial Statement Schedules.

(a)(1) *Financial Statements*. The financial statements filed as part of this report are listed on the Index to the Consolidated Financial Statements.

(a)(2) *Financial Statement Schedules*. Schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(a)(3) *Exhibits.* Reference is made to the Exhibit Index. The exhibits are included, or incorporated by reference, in the Annual Report on Form 10-K and are numbered in accordance with Item 601 of Regulation S-K.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized this 22nd day of February, 2013.

BIOCLINICA, INC.	
By:	/s/Mark L. Weinstein Mark L. Weinstein, President and Chief Executive Officer

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/Mark L. Weinstein Mark L. Weinstein	President and Chief Executive Officer and Director (principal executive officer)	February 22, 2013
/s/Ted I. Kaminer Ted I. Kaminer	Executive Vice President of Finance and Administration and Chief Financial Officer (principal financial and accounting officer)	February 22, 2013
/s/Jeffrey H. Berg, Ph.D. Jeffrey H. Berg, Ph.D.	Director	February 22, 2013
/s/Martin M. Coyne Martin M. Coyne	Director	February 22, 2013
/s/E. Martin Davidoff, CPA, Esq. E. Martin Davidoff, CPA, Esq.	Director	February 22, 2013
/s/Marcella LoCastro, CPA, CITP Marcella LoCastro, CPA, CITP	Director	February 22, 2013
/s/David E. Nowicki, D.M.D. David E. Nowicki, D.M.D.	Chairman of the Board and Director	February 22, 2013
/s/Adeoye Y. Olukotun Adeoye Y. Olukotun, M.D., M.P.H.,	Director	February 22, 2013
/s/Wallace P. Parker Wallace P. Parker	Director	February 22, 2013
/s/John P. Repko John P. Repko	Director	February 22, 2013

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EXHIBIT INDEX

Exhibit No.	Description of Exhibit
2.1**	Asset Purchase Agreement, dated as of September 15, 2009, by and among BioClinica, Inc., BioClinica Acquisition, Inc., and Tourtellotte Solutions, Inc. Incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K, dated September 18, 2009.
2.2**	Asset Purchase Agreement, dated January 6, 2009, by and between Bio-Imaging Technologies, Inc. and MBI Benefits, Inc. Incorporated by reference to Exhibit 2.3 of our Annual Report on Form 10-K for the year ended December 31, 2008.
2.3**	Asset Purchase Agreement, dated March 25, 2010, by and between BioClinica, Inc. and TranSenda International LLC. Incorporated by reference to Exhibit 2.1 of our Current Report on Form 8-K, dated March 26, 2010.
3.1	Restated Certificate of Incorporation of Bio-Imaging Technologies, Inc. Incorporated by reference to Exhibit 3.1 of our Registration Statement on Form S-1 (File Number 33-47471), which became effective on June 18, 1992. Amendments incorporated by reference to Exhibit 3.1 of our Annual Report on Form 10-K for the year ended September 30, 1993, Exhibit 3.1 of our Quarterly Report on Form 10-QSB for the quarter ended March 31, 1995 and Exhibit 3.1 of our Current Report on Form 8-K, dated July 8, 2009.
3.2	Amended and Restated Bylaws of BioClinica, Inc. Incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K, dated November 23, 2009.
4.1	Specimen Common Stock Certificate. Incorporated by reference to Exhibit 4.1 of our Registration Statement on Form S-1 (File Number 33-47471), which became effective on June 18, 1992.
4.2	Registration Agreement, dated October 13, 1994, between Bio-Imaging Technologies, Inc. and Corning Pharmaceuticals Services Inc., now Covance Inc. Incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K, dated October 13, 1994.
4.3	Amended and Restated Rights Agreement, dated as of March 23, 2011, between BioClinica, Inc. and Computershare Trust Company, N.A. Incorporated by reference to Exhibit 4.1 of our Current Report on form 8-K, dated March 25, 2011.
4.4	Registration Rights Agreement, dated March 25, 2010, between BioClinica, Inc. and TranSenda International LLC and each common member of TranSenda International, LLC. Incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K, dated March 26, 2010.
4.5	Committed Line of Credit Note dated May 5, 2010, by and between BioClinica, Inc. and Oxford Bio-Imaging Research, Inc. and PNC Bank, National Association. Incorporated by reference to Exhibit 4.1 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010.
4.6	Renewal letter dated April 24, 2012 to the Committed Line of Credit Note dated May 5, 2010, by and between BioClinica, Inc. and Oxford Bio-Imaging Research, Inc. and PNC Bank, National Association. Incorporated by reference to Exhibit 4.1 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.
10.1*	Amended and restated 2010 Stock Incentive Plan, adopted by the stockholders of BioClinica, Inc. on May 16, 2012. Incorporated by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.
10.2*	401(k) Plan. Incorporated by reference to Exhibit 10.7 of our Registration Statement on Form S-1 (File Number 33-47471), which became effective on June 18, 1992.

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10.3	Form of Employee s Invention Assignment, Confidential Information and Non-Competition Agreement. Incorporated by reference to Exhibit 10.9 of our Annual Report on Form 10-K for the fiscal year ended September 30, 1992.
10.4	Stock Purchase Agreement, dated October 13, 1994, by and between Bio-Imaging Technologies, Inc. and Covance Inc. Incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K dated October 13, 1994.
10.5*	Invention Assignment and Confidential Information Agreement, dated January 20, 2000, by and between Bio-Imaging Technologies, Inc. and Mark L. Weinstein. Incorporated by reference to Exhibit 10.1 of our Quarterly Report on Form 10-QSB for the quarter ended December 31, 1999.
10.6*	Employment Agreement, dated February 22, 2012, by and between BioClinica, Inc. and Mark L. Weinstein. Incorporated by reference to Exhibit 10.6 of our Annual Report on Form 10-K for fiscal year ended December 31, 2011.
10.7	Agreement of Lease by and between 826 Newtown Associates, L.P. and Bio-Imaging Technologies, Inc., dated December 1, 2008, such lease superseding and rendering null and void all previous leases related to the Premises at 826 and 828 Newtown-Yardley Road, Newtown, Pennsylvania. Incorporated by reference to Exhibit 10.7 of our Annual Report on Form 10-K for fiscal year ended December 31, 2008.
10.8*	Amended and Restated Employment Agreement, dated February 24, 2010, by and between BioClinica, Inc. and Ted I. Kaminer. Incorporated by reference to Exhibit 10.8 of our Annual Report on Form 10-K for fiscal year ended December 31, 2009.
10.9*	Form of Amended and Restated Executive Retention Agreement by and between BioClinica, Inc. and certain executive officers. Incorporated by reference to Exhibit 10.9 of our Annual Report on Form 10-K for fiscal year ended December 31, 2009.
10.10*	Employment Agreement, dated September 19, 2008, by and between Bio-Imaging Technologies, Inc. and Peter Benton. Incorporated by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009.
10.11	Loan Agreement dated May 5, 2010, by and between BioClinica, Inc. and Oxford Bio-Imaging Research, Inc. and PNC Bank, National Association. Incorporated by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010.
10.12	Amendment to Loan Agreement, dated June 2, 2011, by and between BioClinica, Inc. and Oxford Bio-Imaging Research, Inc. and PNC Bank, National Association. Incorporated by reference to Exhibit 10.1 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.
21	List of Subsidiaries of Registrant.
23.1	Consent of PricewaterhouseCoopers LLP.
31.1	Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial and accounting officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.
32.2	Certification of principal financial and accounting officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.

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101.1	Financial statements from the Annual Report on Form 10-K of BioClinica, Inc. for the year ended December 31, 2012, filed on February 22, 2013, formatted in XBRL (Extensible Business Reporting language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Comprehensive Income and (v) the Notes to the Consolidated Financial Statements.

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* A management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

** Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company undertakes to furnish supplementally copies of any of the omitted schedules and exhibits upon request by the Securities and Exchange Commission.

Included herewith.