

**ICON reports another strong quarter with a 42% increase in operating income and EPS of \$0.47 for the Third Quarter FY 2004 (NASDAQ:ICLR)**

**Highlights – Third Quarter Fiscal 2004**

- \* Third quarter net revenues increased 30% over the third quarter of fiscal 2003 to \$76.9 million and increased 37% on a year-to-date basis.
- \* Income from operations increased 42% over the third quarter of fiscal 2003 to \$8.8 million and increased 40% in the nine months to February 29, 2004.
- \* Diluted earnings per share increased 24% for the third quarter to 47 cents compared to 38 cents in the same quarter last year. Year-to-date diluted earnings per share was 139 cents compared to 107 cents for the comparable period last year.
- \* \$91 million of net new business awarded to ICON during the quarter.

Dublin, Ireland, April 1, 2004 – ICON plc (NASDAQ: ICLR), a global contract clinical research organisation, which has approximately 2,450 employees providing services to the pharmaceutical and biotech industries from 33 locations in 20 countries worldwide, today reported the financial results for its third quarter ended February 29, 2004.

Net revenues for the quarter were \$76.9 million, representing a 30% increase over net revenues of \$59.3 million for the same quarter last year. Excluding the impact of acquisitions, revenue growth for the quarter was 22% over the same quarter last year.

Income from operations was \$8.8 million, which represents an increase of 42% from the \$6.2 million reported for the third quarter last year. Operating margin for the quarter was 11.4% compared to 10.4% for the equivalent period last year. Net income for the quarter was \$6.7 million or 47 cents per share, on a diluted basis, compared with \$4.6 million or 38 cents per share for the third quarter last year.

In the nine months to February 29, 2004, net revenues were \$219.0 million, representing a 37% increase over net revenues of \$159.7 million reported for the first nine months of last year. Excluding the impact of acquisitions, revenue growth was 24% for the nine months ending February 29, 2004.

Income from operations was \$24.7 million, representing an increase of 40% from the \$17.7 million reported for the same period last year. Operating margin for the nine months to February 29, 2004 was 11.3%, compared to the 11.1% in the same period last year. Net income was \$18.5 million or 139 cents per share, on a diluted basis, compared with \$13.0 million or 107 cents per share reported for the same period last year.

Days sales outstanding, comprising accounts receivable and unbilled revenue less payments on account, were 57 days at February 29, 2004 compared to 69 days at November 30, 2003 and 64 days at May 31, 2003.

For the quarter ending February 29, 2004, cash generated from operations was \$24.5 million, and capital expenditure was \$2.0 million. For the nine months to February 29, 2004, cash generated from operations was \$30.8 million, capital expenditure was \$9.7 million and payments of \$12.8 million were made in relation to acquisitions. As a result of these factors the company's net cash, short-term debt and short-term investments were \$67.1 million at February 29, 2004, compared to \$44.0 million at November 30, 2003 and \$11.2 million at May 31, 2003.

“This has been very good quarter for ICON”, commented Chairman, Dr John Climax. “Our clinical business again performed well and our laboratory business showed good improvement. We achieved a very good level of new business wins and made excellent progress with our working capital management, which resulted in strong cash flows”.

Commenting on the outlook, Dr Climax said “Net new business wins in the quarter were \$91 million, which was a substantial increase over the previous quarter and our backlog has benefited from this. Nonetheless, we continue to be focused on our business development efforts to ensure that momentum will be maintained into our new fiscal year”.

The company will hold its third quarter conference call today, April 1, 2004 at 10:00 EST [16:00 Ireland & UK / 17:00 CET]. This call and linked slide presentation can be accessed live from our website at <http://www.iconclinical.com>. A recording will also be available on the website for 90 days following the call. In addition, a calendar of company events, including upcoming conference presentations, is available on our website, under “shareholders services”. This calendar will be updated regularly.

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

The financial information presented herein has been prepared in accordance with U.S. GAAP.

Source: ICON plc

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**ICON plc**

**Consolidated Income Statements  
(Unaudited)**

**Three and Nine Months ended February 29, 2004 and February 28, 2003  
(Dollars, in thousands, except share and per share data)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>February 29, 2004</b>	<b>February 28, 2003</b>	<b>February 29, 2004</b>	<b>February 28, 2003</b>
Gross Revenue	112,831	79,205	332,181	236,270
Subcontractor costs	35,969	19,894	113,177	76,565
<b>Net Revenue</b>	<u>76,862</u>	<u>59,311</u>	<u>219,004</u>	<u>159,705</u>
<b>Costs and expenses</b>				
Direct costs	42,502	33,366	120,271	87,507
Selling, general and administrative	22,708	17,890	65,774	49,481
Depreciation and amortization	2,894	1,869	8,215	5,017
<b>Total costs and expenses</b>	<u>68,104</u>	<u>53,125</u>	<u>194,260</u>	<u>142,005</u>
<b>Income from operations</b>	8,758	6,186	24,744	17,700
Interest income (net)	75	120	197	379
Income before provision of income taxes	<u>8,833</u>	<u>6,306</u>	<u>24,941</u>	<u>18,079</u>
Provision for income taxes	<u>2,182</u>	<u>1,709</u>	<u>6,421</u>	<u>5,090</u>
<b>Net income</b>	<u><u>6,651</u></u>	<u><u>4,597</u></u>	<u><u>18,520</u></u>	<u><u>12,989</u></u>
Net income per ordinary share				
Basic	<u>\$0.49</u>	<u>\$0.39</u>	<u>\$1.45</u>	<u>\$1.10</u>
Diluted	<u>\$0.47</u>	<u>\$0.38</u>	<u>\$1.39</u>	<u>\$1.07</u>
Weighted average number of ordinary shares				
Basic	13,622,514	11,818,704	12,797,089	11,804,576
Diluted	14,070,194	12,220,266	13,288,688	12,169,875

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## Summary Balance Sheet Data February 29, 2004 and May 31, 2003 (Dollars, in thousands)

	February 29, 2004 (unaudited)	May 31, 2003 (audited)
Cash and short-term investments	67,114	18,311
Short-term debt	-	(7,126)
Net cash	67,114	11,185
Accounts receivable	73,888	74,645
Unbilled revenue	56,340	44,783
Payments on account	(59,979)	(45,763)
Total	70,249	73,665
Working Capital	104,518	53,827
Total assets	320,116	235,014
Shareholder's equity	207,036	136,910

**Source:** ICON plc

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