

PRESS RELEASE
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ICON reports strong Third Quarter FY 2003 results with a 33% increase in operating income and EPS of \$0.38 (NASDAQ:ICLR)

Highlights – Third Quarter Fiscal 2003

- * Third quarter net revenues increased 50% over the third quarter of fiscal 2002 to \$59.3 million and increased 41% on a year-to-date basis.
- * Income from operations increased 33% over the third quarter of fiscal 2002 to \$6.2 million and increased 35% in the nine months to February 28, 2003.
- * Diluted earnings per share increased 31% for the third quarter to \$0.38 cents compared to \$0.29 cents in same quarter last year. Year-to-date diluted earnings per share were \$1.07 cents compared to \$0.85 cents for the comparable period last year.
- * \$63 million of net new business awarded to ICON during the quarter.

Dublin, Ireland, March 31, 2003 – ICON plc (NASDAQ: ICLR), a global contract clinical research organisation, which has approximately 2,300 employees providing services to the pharmaceutical and biotech industries from 28 locations in 16 countries worldwide, today reported the financial results for its third quarter ended February 28, 2003.

Net revenues for the quarter were \$59.3 million, representing a 50% increase over net revenues of \$39.6 million for the same quarter last year. Excluding the impact of acquisitions revenue growth for the quarter was 35% over the same quarter last year.

Income from operations was \$6.2 million, which represents an increase of 33% from the \$4.6 million reported for the third quarter last year. Operating margin for the quarter was 10.4% compared to 11.7% for the equivalent period last year. Net income for the quarter was \$4.6 million or \$0.38 cents per share, on a diluted basis, compared with \$3.6 million or \$0.29 cents per share for the third quarter last year.

In the nine months to February 28, 2003, net revenues were \$159.7 million, representing a 41% increase over net revenues of \$113.6 million reported for the first nine months of last year. Excluding the impact of acquisitions revenue growth was 32% for the nine months ending February 28, 2003.

Income from operations was \$17.7 million, representing an increase of 35% from the \$13.1 million reported for the same period last year. Operating margin for the nine months to February 28, 2003 was 11.1%, compared to 11.6% for the equivalent period last year. Net income was \$13.0 million or \$1.07 cents per share, on a diluted basis compared with \$10.4 million or \$0.85 cents per share reported for the same period last year.

Days sales outstanding, comprising accounts receivable and unbilled revenue less payments on account, were 69 days at February 28, 2003 compared with 67 days at May 31, 2002. Capital expenditure in the quarter was \$4.0 million and payments of \$19.2 million were made in relation to acquisitions. In the nine months to February 28, 2003, capital expenditure was \$11.2 million and payments of \$38.8 million were made in relation to acquisitions. As a result the company's net cash was \$11.4 million at February 28, 2003, compared to \$43.1 million at May 31, 2002.

"This has been another significant quarter in ICON's development", commented Chairman, Dr John Climax. "In January, we completed the acquisition of Medeval Group Ltd, a leading phase I clinical pharmacology facility, based in Manchester, UK. This was an important strategic step for the company. In addition our strong revenue growth continued and we were particularly pleased with the 31% growth achieved in EPS. The performance in our central laboratory business was disappointing, but we expect this to improve in the coming quarters, based on recent strong business wins. Margin performance was excellent in our clinical business, and our recent acquisitions performed well".

The company will hold its third quarter conference call today, March 31, 2003 at 10:00 EST [16:00 GMT / 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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<http://www.iconclinical.com>

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Consolidated Income Statements (Unaudited)

Three months ended and Nine Months ended February 28, 2003 and 2002

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

	Three Months Ended		Nine Months Ended	
	February 28, 2003	February 28, 2002	February 28, 2003	February 28, 2002
Gross Revenue	79,205	53,055	236,270	153,356
Subcontractor costs	19,894	13,485	76,565	39,798
Net Revenue	<u>59,311</u>	<u>39,570</u>	<u>159,705</u>	<u>113,558</u>
Costs and expenses				
Direct costs	33,366	20,932	87,507	60,446
Selling, general and administrative	17,890	12,462	49,481	35,550
Depreciation and amortization	1,869	1,538	5,017	4,416
Total costs and expenses	<u>53,125</u>	<u>34,932</u>	<u>142,005</u>	<u>100,412</u>
Income from operations	6,186	4,638	17,700	13,146
Interest income (net)	120	285	379	864
Income before provision of income taxes	<u>6,306</u>	<u>4,923</u>	<u>18,079</u>	<u>14,010</u>
Provision for income taxes	<u>1,709</u>	<u>1,325</u>	<u>5,090</u>	<u>3,625</u>
Net income	<u><u>4,597</u></u>	<u><u>3,598</u></u>	<u><u>12,989</u></u>	<u><u>10,385</u></u>
Net income per ordinary share				
Basic	<u>\$0.39</u>	<u>\$0.31</u>	<u>\$1.10</u>	<u>\$0.90</u>
Diluted	<u>\$0.38</u>	<u>\$0.29</u>	<u>\$1.07</u>	<u>\$0.85</u>
Weighted average number of ordinary shares				
Basic	11,818,704	11,707,978	11,804,576	11,576,692
Diluted	12,220,266	12,229,874	12,169,875	12,224,383

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Summary Balance Sheet Data

February 28, 2003 and May 31, 2002

(Dollars, in thousands)

	February 28, 2003	May 31, 2002
Cash, short-term debt and short-term investments	11,359	43,097
Accounts receivable	45,337	41,306
Unbilled revenue	53,082	26,387
Payments on account	(37,989)	(19,854)
Total	60,430	47,839
Working Capital	50,451	72,923
Total assets	215,044	165,794
Shareholder's equity	126,350	107,561

Source: ICON plc

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