

PRESS RELEASE
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ICON reports another strong quarter with a 43% increase in operating income and EPS of \$0.36 for the Second Quarter FY 2003 (NASDAQ:ICLR)

Highlights – Second Quarter Fiscal 2003

- * Second quarter net revenues increased 42% over the second quarter of fiscal 2002 to \$53.5 million and increased 36% on a year-to-date basis.
- * Income from operations increased 43% over the second quarter of fiscal 2002 to \$6.3 million and increased 35% in the six months to November 30, 2002.
- * Diluted earnings per share increased 29% for the second quarter to 36 cents compared to 28 cents in same quarter last year. Year-to-date diluted earnings per share was 69 cents compared to 56 cents for the comparable period last year.
- * \$67 million of net new business awarded to ICON during the quarter.

Dublin, Ireland, January 7, 2003 – ICON plc (NASDAQ: ICLR), a global contract clinical research organisation, which has approximately 2,000 employees providing services to the pharmaceutical and biotech industries from 26 locations in 16 countries worldwide, today reported the financial results for its second quarter ended November 30, 2002.

Net revenues for the quarter were \$53.5 million, representing a 42% increase over net revenues of \$37.8 million for the same quarter last year. Excluding the impact of acquisitions revenue growth for the quarter was 32% over the same quarter last year.

Income from operations was \$6.3 million, which represents an increase of 43% from the \$4.4 million reported for the second quarter last year. Operating margin for the quarter was 11.8% compared to 11.7% for the equivalent period last year. Net income for the quarter was \$4.4 million or 36 cents per share, on a diluted basis, compared with \$3.5 million or 28 cents per share for the second quarter last year.

In the six months to November 30, 2002, net revenues were \$100.4 million, representing a 36% increase over net revenues of \$74.0 million reported for the first six months of last year. Excluding the impact of acquisitions revenue growth was 31% for the six months ending November 30, 2002.

Income from operations was \$11.5 million, representing an increase 35% from the \$8.5 million reported for the same period last year. Operating margin for the six months to November 30, 2002 was 11.5%, the same as the comparable period last year. Net income was \$8.4 million or 69 cents per share, on a diluted basis compared with \$6.8 million or 56 cents per share reported for the same period last year.

Days sales outstanding, comprising accounts receivable and unbilled revenue less payments on account, were 59 days at November 30, 2002 compared with 67 days at May 31, 2002. Capital expenditure in the quarter was \$4.0 million and payments of \$15.7 million were made in relation to acquisitions. As a result the company's net cash, short-term debt and short-term investments were \$27.5 million at November 30, 2002, compared to \$38.9 million at August 31, 2002.

"We are delighted to report another record quarter", commented Chairman, Dr John Climax. "The results were driven by strong organic revenue growth of 32%, further enhanced to 42% growth by the contribution from our most recent acquisitions. We are also pleased with the increase in our operating margins".

Commenting on the outlook, Dr Climax said "With record business wins achieved, buoyed by the continuing strong industry fundamentals and ICONs quality reputation, we remain very confident in the outlook for the current fiscal year and beyond".

The company will hold its second quarter conference call today, January 7, 2003 at 11:00 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 Six Months ended November 30, 2002 and 2001

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

	Three Months Ended		Six Months Ended	
	November 30 2002	November 30 2001	November 30 2002	November 30 2001
Gross Revenue	84,978	52,648	157,065	100,301
Subcontractor costs	31,443	14,879	56,671	26,313
Net Revenue	<u>53,535</u>	<u>37,769</u>	<u>100,394</u>	<u>73,988</u>
Costs and expenses				
Direct costs	28,716	20,575	54,141	39,514
Selling, general and administrative	16,948	11,359	31,591	23,088
Depreciation and amortization	1,578	1,430	3,148	2,878
Total costs and expenses	<u>47,242</u>	<u>33,364</u>	<u>88,880</u>	<u>65,480</u>
Income from operations	6,293	4,405	11,514	8,508
Interest income (net)	73	235	259	579
Income before provision of income taxes	<u>6,366</u>	<u>4,640</u>	<u>11,773</u>	<u>9,087</u>
Provision for income taxes	<u>1,947</u>	<u>1,183</u>	<u>3,381</u>	<u>2,300</u>
Net income	<u><u>4,419</u></u>	<u><u>3,457</u></u>	<u><u>8,392</u></u>	<u><u>6,787</u></u>
Net income per ordinary share				
Basic	<u>\$0.37</u>	<u>\$0.30</u>	<u>\$0.71</u>	<u>\$0.59</u>
Diluted	<u>\$0.36</u>	<u>\$0.28</u>	<u>\$0.69</u>	<u>\$0.56</u>
Weighted average number of ordinary shares				
Basic	11,804,345	11,667,504	11,799,125	11,507,105
Diluted	12,147,702	12,242,463	12,143,034	12,224,841

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Summary Balance Sheet Data

November 30, 2002 and May 31, 2002

(Dollars, in thousands)

	November 30, 2002	May 31, 2002
Cash, short-term debt and short-term investments	27,450	43,097
Accounts receivable	47,032	41,306
Unbilled revenue	41,682	26,387
Payments on account	(33,427)	(19,854)
Total	55,287	47,839
Working Capital	68,369	72,923
Total assets	186,920	165,794
Shareholder's equity	118,463	107,561

Source: ICON plc

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