

**ICON Reports Another Record Quarter with 41% Increase in Revenues and 25% Increase in EPS for Fourth Quarter FY 2001 (NASDAQ:ICLR)**

**Highlights – Fourth Quarter and Full Year ended May 31, 2001**

- \* Net revenues increased 41% over the same quarter last year to \$31.5 million and increased 44% for the full year.
- \* Income from operations increased 42% over the fourth quarter last year to \$3.4 million, and increased 36% for the year.
- \* Operating margin was 11.9% for the quarter, excluding ICON Laboratories.
- \* Diluted earnings per share was 25 cents, up 25% on the same quarter last year. For the full year diluted earnings per share was 92 cents, an increase of 31%
- \* A record \$45 million of net new business was awarded in the quarter.

Dublin, Ireland, July 24, 2001 - ICON plc (NASDAQ: ICLR), a global contract clinical research organisation, which has over 1,300 employees providing services to the pharmaceutical and biotech industries from 22 locations in 14 countries worldwide, today reported the financial results for its fourth quarter and full year ended May 31, 2001.

Net revenues for the quarter were \$31.5 million, an increase of 41% over net revenues of \$22.4 million for the same quarter last year. Income from operations was \$3.4 million, which represents an increase of 42% from the \$2.4 million reported on a pro-forma basis for the fourth quarter last year. Overall, operating margin for the quarter was 10.7%. When the impact of ICON Laboratories, which was acquired in June 2000, is excluded, the margin for the quarter was 11.9% which compares with 10.6% for the same period last year. Net income for the quarter was \$3.1 million or 25 cents per share, on a diluted basis, compared with a pro forma \$2.3 million or 20 cents per share for the fourth quarter last year.

For the fiscal year ended May 31, 2001, net revenues were \$116.2 million, an increase of 44% over the \$80.8 million reported for the prior year. Income from operations was \$11.1 million, which represents an increase of 36% from the \$8.2 million reported on a pro forma basis last year. Operating margin was 9.5% for the year, or 10.6% when the impact of ICON Laboratories is excluded, compared with 10.1% for fiscal 2000. Net income was \$11.0 million or 92 cents per share, on a diluted basis, compared with a pro forma \$8.2 million or 70 cents per share for fiscal 2000.

At May 31, 2001 the company had net cash, short-term debt and short-term investments of US\$35.9 million compared with \$45.6 million at February 28, 2001 and \$46.0 million at 31 May, 2000. Capital expenditure was \$1.9 million in the fourth quarter and \$6.7 million year to date.

“Fiscal 2001 has been another excellent year for ICON.” commented Chairman Dr Ronan Lambe, “Business flows have been strong leading to record new business awards, margins have been continuing to increase, and our acquisitions have performed well. All this has led to record revenues and earnings, with earnings per share rising 31%. The only disappointing aspect of the quarter was the DSOs, which were 93 days at May 31. However, this situation had substantially improved by June 30 as the exceptional circumstances, which caused them to spike, began to reverse. From a strategic perspective we are very confident that ICON’s growth model continues to be valid, and we look forward with confidence to another year of continuing growth and profitability.”

The company will hold its fourth quarter conference call today, July 24, 2001 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 “shareholder 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

**Contact :** Investor Relations 1-888-381-7923 or  
Sean Leech CFO + 353-1-216-1100  
both at ICON.

<http://www.iconclinical.com>

**ICON plc**

**Proforma Consolidated Income Statements \***  
**(Unaudited)**

**Three months and Years ended May 31, 2001 and 2000**  
**(Dollars, in thousands, except share and per share data)**

	<b>Three Months Ended</b>		<b>Year Ended</b>	
	<b>May 31 2001</b>	<b>May 31 2000</b>	<b>May 31 2001</b>	<b>May 31 2000</b>
Gross Revenue	41,286	29,129	151,832	115,087
Subcontractor costs	9,741	6,730	35,669	34,320
<b>Net Revenue</b>	<b>31,545</b>	<b>22,399</b>	<b>116,163</b>	<b>80,767</b>
<b>Costs and expenses</b>				
Direct costs	17,219	11,612	63,800	42,007
Selling, general and administrative	9,614	7,447	36,312	27,348
Depreciation and amortization	1,340	971	4,975	3,264
<b>Total costs and expenses</b>	<b>28,173</b>	<b>20,030</b>	<b>105,087</b>	<b>72,619</b>
<b>Income from operations</b>	<b>3,372</b>	<b>2,369</b>	<b>11,076</b>	<b>8,148</b>
Interest income (net)	592	690	2,519	2,659
Income before provision of income taxes	3,964	3,059	13,595	10,807
Provision for income taxes	912	719	2,617	2,585
<b>Net income</b>	<b>3,052</b>	<b>2,340</b>	<b>10,978</b>	<b>8,222</b>
Net income per ordinary share				
Basic	\$0.27	\$0.21	\$0.97	\$0.74
Diluted	\$0.25	\$0.20	\$0.92	\$0.70
Weighted average number of ordinary shares				
Basic	11,404,589	11,129,397	11,292,610	11,050,556
Diluted	12,037,958	11,855,447	11,943,849	11,824,359

\* Prior year excludes once off merger and tax cost associated with PRAI merger.

**ICON plc**

**Consolidated Income Statements  
(Audited)**

**Three months and Years ended May 31, 2001 and 2000  
(Dollars, in thousands, except share and per share data)**

	<b>Three Months Ended</b>		<b>Year Ended</b>	
	<b>May 31 2001</b>	<b>May 31 2000</b>	<b>May 31 2001</b>	<b>May 31 2000</b>
Gross Revenue	41,286	29,129	151,832	115,087
Subcontractor costs	9,741	6,730	35,669	34,320
<b>Net Revenue</b>	<u>31,545</u>	<u>22,399</u>	<u>116,163</u>	<u>80,767</u>
<b>Costs and expenses</b>				
Direct costs	17,219	11,612	63,800	42,007
Selling, general and administrative	9,614	7,447	36,312	27,348
Depreciation and amortization	1,340	971	4,975	3,264
<b>Total costs and expenses</b>	<u>28,173</u>	<u>20,030</u>	<u>105,087</u>	<u>72,619</u>
<b>Income from operations</b>	3,372	2,369	11,076	8,148
Transaction costs	0	0	0	(1,617)
Interest income (net)	592	690	2,519	2,659
Income before provision of income taxes	<u>3,964</u>	<u>3,059</u>	<u>13,595</u>	<u>9,190</u>
Provision for income taxes	<u>912</u>	<u>719</u>	<u>2,617</u>	<u>3,122</u>
<b>Net income</b>	<u><u>3,052</u></u>	<u><u>2,340</u></u>	<u><u>10,978</u></u>	<u><u>6,068</u></u>
Net income per ordinary share				
Basic	<u>\$0.27</u>	<u>\$0.21</u>	<u>\$0.97</u>	<u>\$0.55</u>
Diluted	<u>\$0.25</u>	<u>\$0.20</u>	<u>\$0.92</u>	<u>\$0.51</u>
Weighted average number of ordinary shares				
Basic	11,404,589	11,129,397	11,292,610	11,050,556
Diluted	12,037,958	11,855,447	11,943,849	11,824,359

## ICON plc

### Summary Balance Sheet Data

**May 31, 2001 and 2000**  
**(Dollars, in thousands)**

	May 31 2001	May 31 2000
Cash, short term debt and short term investments	35,855	46,043
Accounts receivable	29,474	13,933
Unbilled revenue	20,508	14,379
Payments on account	(11,134)	(9,298)
Total	38,848	19,014
Working Capital	61,147	57,962
Total assets	128,967	100,118
Shareholder's equity	86,580	77,053