



ICON reports 38% increase in revenues, 40% increase in EPS and raises 2007 guidance. (NASDAQ:ICLR)

Highlights – Third Quarter 2007

- Third quarter net revenues increased 38% over the prior year.
- Income from operations increased by 48%, and diluted earnings per share increased by 40%.
- Operating margins expanded from 10.4% last year to 11.2%.
- Net business wins of \$230 million in the quarter, representing a book-to-bill ratio of 1.4.
- 2007 guidance raised.

Dublin, Ireland, October 23, 2007 – ICON (NASDAQ: ICLR), a global provider of outsourced development services to the pharmaceutical, biotechnology and medical device industries, today reported its financial results for the third quarter ended September 30, 2007.

Net revenues for the quarter were \$166.9 million, representing a 38.3% increase over net revenues of \$120.7 million for the same quarter last year. Income from operations, after taking non-cash stock compensation charge of \$1.4 million, was \$18.7 million or 11.2% of revenue, compared to \$12.6 million or 10.4% for the same quarter last year. Net income was \$14.5 million or 49 cents per share on a diluted basis, compared with \$10.1 million or 35 cents per share last year.

Year-to-date, net revenues were \$450.1 million, representing a 37.8% increase over the same period last year. Income from operations, after taking non-cash stock compensation charge of \$4.0 million was \$49.5 million or 11% of revenue, compared to \$34.0 million or 10.4% last year. Net income was \$40.1 million or \$1.35 per share, compared with \$26.9 million or 94 cents per share, last year.

Days sales outstanding, comprising accounts receivable and unbilled revenue less payments on account, were 65 days at September 30, 2007, up from 57 days at September 30, 2006.

For the quarter ended September 30, 2007, cash provided by operating activities was \$0.6 million and capital expenditure was \$19.3 million. For the nine months, cash flow from operating activities was \$19.9 million and capital expenditure was \$49.7 million. In addition, DOCS International was acquired in July 2007 for consideration of \$40.6 million. As a result, cash and short-term investments, net of debt, amounted to \$27.7 million at September 30, 2007, compared to \$97.9 million at December 31, 2006.

“We are delighted with ICON's third quarter performance”, commented Chairman Dr. John Climax. “Revenue growth was very strong and operating margins continued to expand. Excellent net bookings of \$230 million, producing a book-to-bill ratio of 1.4, give us strong confidence in the outlook for the remainder of the year. As a result we are increasing our revenue guidance for 2007 to \$615 - \$625 million and, our EPS guidance to \$1.82 - \$1.85”

The company will hold its third quarter conference call today, October 23, 2007 at 9:00 EST [14:00 Ireland & UK]. This call and linked slide presentation can be accessed live from our website at www.iconplc.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 “Investors”. 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.

ICON plc is a global provider of outsourced development services to the pharmaceutical, biotechnology and medical device industries. The Company specializes in the strategic development, management and analysis of programs that support clinical development - from compound selection to Phase I-IV clinical studies. ICON teams have successfully conducted over 1,900 development projects and over

2,300 consultancy engagements across all major therapeutic areas. ICON currently has approximately 5,400 employees, operating from 65 locations in 33 countries. Further information is available at www.iconplc.com.

Source: ICON plc

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Consolidated Income Statements (Un-audited)

Three and Nine Months ended September 30, 2007 and September 30, 2006

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

	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Gross Revenue	231,819	171,109	625,942	465,497
Subcontractor costs	64,903	50,395	175,890	138,852
Net Revenue	166,916	120,714	450,052	326,645
Costs and expenses				
Direct costs	91,675	68,428	254,107	183,146
Selling, general and administrative	51,518	35,800	132,864	98,477
Depreciation and amortization	5,020	3,875	13,626	11,009
Total costs and expenses	148,213	108,103	400,597	292,632
Income from operations	18,703	12,611	49,455	34,013
Interest income (net)	16	951	2,079	2,536
Income before provision of income taxes	18,719	13,562	51,534	36,549
Provision for income taxes	4,158	3,423	11,344	9,496
Minority interest	60	45	108	121
Net income	14,501	10,094	40,082	26,932
Net income per ordinary share				
Basic	\$0.50	\$0.36	\$1.40	\$0.95
Diluted	\$0.49	\$0.35	\$1.35	\$0.94
Weighted average number of ordinary shares				
Basic	28,760,726	28,351,525	28,669,798	28,333,823
Diluted	29,826,457	29,085,080	29,714,584	28,709,932

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Summary Balance Sheet Data

September 30, 2007 and December 31, 2006

(Dollars, in thousands)

	September 30, 2007	December 31, 2006
	(Un-audited)	(Audited)
Cash and short-term investments	98,206	102,861
Short-term debt	(70,487)	(5,000)
Net cash	27,719	97,861

Accounts receivable	136,696	108,216
Unbilled revenue	123,823	89,977
Payments on account	(94,028)	(90,394)
Total	166,491	107,799
Working Capital	127,945	160,321
Total Assets	631,780	476,341
Shareholder's Equity	359,986	302,738

Source:

ICON plc

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