

ICON Reports Record Results with 38% increase in revenues, 76% increase in operating income and 29% increase in EPS in First Quarter FY 2002 (NASDAQ:ICLR)

Highlights – First Quarter Fiscal 2002

- * First Quarter net revenues increased 38% over the first quarter of fiscal 2001 to \$36.2 million.
- * Income from operations increased 76% over the first quarter of fiscal 2001 to \$4.1 million.
- * Diluted earnings per share increased 29% for the first quarter to 27 cents compared to 21 cents in same quarter last year.
- * \$ 46 million of net new business awarded to ICON during the quarter.
- * Ninth consecutive quarter of revenue and earnings growth.

Dublin, Ireland, September 25, 2001 – ICON plc (NASDAQ: ICLR), a global contract clinical research organisation, which has over 1,350 employees providing services to the pharmaceutical and biotech industries from 22 locations in 14 countries worldwide, today reported the financial results for its first quarter ended August 31, 2001.

Net revenues for the quarter were \$36.2 million, representing a 38% increase over net revenues of \$26.3 million for the same quarter last year. Income from operations was \$4.1 million which represents an increase of 76% from the \$2.3 million reported for the first quarter last year. Overall, operating margin for the quarter was 11.3% compared to 8.9% for the equivalent period last year. Net income for the quarter was \$3.3 million or 27 cents per share, on a diluted basis, compared with \$2.5 million or 21 cents per share for the first quarter last year.

The company's net cash, short term debt and short term investments were \$40.8 million at August 31, 2001, compared to \$35.9 million at May 31, 2001. In the quarter, payments of \$2.6 million were made under continuing earn out arrangements related to the acquisitions of YRCR Ltd and ICON Laboratories Inc, while capital expenditure in the quarter was \$2.0 million.

Days sales outstanding, comprising accounts receivable and unbilled revenue less payments on account, were 73 days at August 31, 2001 compared with 93 days at May 31, 2001.

"We are pleased with the results for our first quarter of fiscal 2002" commented CEO Dr. John Climax. "Growth in our core business continued to exceed 20% in all regions, ICON Laboratories continued to improve strongly, our operating margin increased further and business wins were excellent".

Commenting on the outlook for ICON, Dr. Climax said "With over 80% of the next twelve months revenues in booked and awarded business and with our Laboratory business beginning to make a worthwhile contribution to income, I believe fiscal 2002 is shaping up to be another excellent year for ICON, barring any unforeseen impacts arising from the recent tragic events in the US".

The company will hold its fourth quarter conference call today, September 25, 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 "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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Consolidated Income Statements
(Unaudited)

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

	Three Months Ended	
	August 31, 2001	August 31, 2000
Gross Revenue	47,653	34,889
Subcontractor costs	11,434	8,582
Net Revenue	<u>36,219</u>	<u>26,307</u>
Costs and expenses		
Direct costs	18,939	14,538
Selling, general and administrative	11,729	8,258
Depreciation and amortization	1,448	1,180
Total costs and expenses	<u>32,116</u>	<u>23,976</u>
Income from operations	4,103	2,331
Interest income (net)	344	662
Income before provision of income taxes	<u>4,447</u>	<u>2,993</u>
Provision for income taxes	<u>1,117</u>	<u>502</u>
Net income	<u><u>3,330</u></u>	<u><u>2,491</u></u>
Net income per ordinary share		
Basic	<u>\$0.29</u>	<u>\$0.22</u>
Diluted	<u>\$0.27</u>	<u>\$0.21</u>
Weighted average number of ordinary shares		
Basic	11,499,311	11,153,669
Diluted	12,260,317	11,886,620

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Summary Balance Sheet Data

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

	August 31, 2001	May 31, 2001
Cash, short term debt and short term investments	40,758	35,855
Accounts receivable	23,590	29,474
Unbilled revenue	27,457	20,508
Payments on account	(12,716)	(11,134)
Total	38,331	38,848
Working Capital	67,280	61,147
Total assets	135,223	128,967
Shareholder's equity	94,092	86,580