



## ICON reports 49% increase in revenue and 52% increase in operating income and raises 2008 guidance

### ICON reports 49% increase in revenue and 52% increase in operating income and raises 2008 guidance

#### Highlights – Second Quarter Fiscal 2008

- Second quarter net revenues increased 48.5%, to \$218.3 million.
- Income from operations increased by 51.9%, to \$24.4 million.
- Diluted earnings per share increased to 62 cents from 45 cents.
- Net new business wins of \$337 million, a book-to-bill of 1.5x.
- 2008 guidance for revenue and EPS increases to \$870 - \$890 million and \$2.46 - \$2.52 respectively.

**Dublin, Ireland, July 22, 2008 – ICON (NASDAQ: ICLR)**, a global provider of outsourced development services to the pharmaceutical, biotechnology and medical device industries, today reported its financial results for its second quarter ended June 30, 2008.

Net revenues for the quarter were \$218.3 million, representing a 48.5% increase over net revenues of \$147 million for the comparative quarter last year. Year-to-date, net revenues were \$419.6 million, representing a 48.2% increase over the same period last year.

Income from operations was \$24.4 million, compared to \$16.1 million for the same quarter last year. Operating margin increased to 11.2% from 10.9%. Net income was \$18.8 million or 62 cents per share on a diluted basis, compared with \$13.3 million or 45 cents per share last year.

Year-to-date income from operations was \$45.9 million, compared to \$30.7 million last year representing a margin of 10.9% in both periods. Net income was \$35.7 million or \$1.19 per share, compared with \$25.6 million or 86 cents last year.

Days sales outstanding were 58 days at June 30, 2008, compared to 66 days at December 31, 2007.

For the quarter ended June 30, 2008, cash provided by operating activities was \$40.7 million and capital expenditure was \$18.9 million. As a result, the company's net cash amounted to \$6.9 million at June 30, 2008, compared to net debt of \$20.2 million at March 31, 2008.

"We are delighted with ICON's second quarter performance",

commented Chairman Dr. John Climax. "Revenue growth was very strong and operating margins showed good progress."

"It was another quarter of excellent bookings, which were \$393 million gross and \$337 million net" said CEO Peter Gray. "As a result of these strong business wins we continue to expand our global capability through opening new offices and hiring new staff and we now have in excess of 6500 staff working in 71 offices in 38 countries. The strength of demand for our global services has led us to increase our revenue guidance for 2008 to \$870 - \$890 million, and our EPS guidance to \$2.46 - \$2.52."

The company will hold its second quarter conference call today, July 22, 2008 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](http://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. With headquarters in Dublin, Ireland, ICON currently operates from 71 locations in 38 countries and has approximately 6,500 employees. Further information is available at [www.iconplc.com](http://www.iconplc.com)

Source: ICON plc

Contact : Investor Relations 1-888-381-7923 or

Ciaran Murray CFO + 353 -1-291-2000

Both at ICON.

**ICON plc**

**Consolidated Income Statements (Unaudited)**

**Three and Six Months ended June 30, 2008 and June 30,  
2007**

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

|  | Three Months Ended |                  | Six Months Ended |                  |
|--|--------------------|------------------|------------------|------------------|
|  | June 30,<br>2008   | June 30,<br>2007 | June 30,<br>2008 | June 30,<br>2007 |
| Gross Revenue                                  | 316,592            | 207,383          | 600,445          | 394,123          |
| Subcontractor costs                            | 98,292             | 60,336           | 180,801          | 110,987          |
| <b>Net Revenue</b>                             | <u>218,300</u>     | <u>147,047</u>   | <u>419,644</u>   | <u>283,136</u>   |
| <b>Costs and expenses</b>                      |                    |                  |                  |                  |
| Direct costs                                   | 122,976            | 83,875           | 236,165          | 162,432          |
| Selling, general and administrative            | 64,289             | 42,662           | 124,834          | 81,346           |
| Depreciation and amortization                  | 6,641              | 4,450            | 12,739           | 8,606            |
| <b>Total costs and expenses</b>                | <u>193,906</u>     | <u>130,987</u>   | <u>373,738</u>   | <u>252,384</u>   |
| <b>Income from operations</b>                  | 24,394             | 16,060           | 45,906           | 30,752           |
| Interest (expense) income                      | (476)              | 1,019            | (519)            | 2,063            |
| <b>Income before provision of income taxes</b> | <u>23,918</u>      | <u>17,079</u>    | <u>45,387</u>    | <u>32,815</u>    |
| Provision for income taxes                     | 4,891              | 3,758            | 9,138            | 7,186            |
| Minority interest                              | 206                | 6                | 534              | 48               |
| <b>Net income</b>                              | <u>18,821</u>      | <u>13,315</u>    | <u>35,715</u>    | <u>25,581</u>    |
| Net income per ordinary share                  |                    |                  |                  |                  |
| Basic  | <u>\$0.65</u>      | <u>\$0.46</u>    | <u>\$1.23</u>    | <u>\$0.89</u>    |
| Diluted  | <u>\$0.62</u>      | <u>\$0.45</u>    | <u>\$1.19</u>    | <u>\$0.86</u>    |
| Weighted average number of                     |                    |                  |                  |                  |

ordinary  
shares

Basic 29,106,694 28,684,201 29,004,662 28,624,350

Diluted 30,156,563 29,685,489 30,083,989 29,597,671