

## **ICON Reports Strong Results with 29% increase in revenues and 27% increase in operating income in First Quarter FY 2003 (NASDAQ:ICLR)**

### **Highlights – First Quarter Fiscal 2003**

- \* First Quarter net revenues increased 29% over the first quarter of fiscal 2002 to \$46.9 million.
- \* Income from operations increased 27% over the first quarter of fiscal 2002 to \$5.2 million.
- \* Diluted earnings per share increased 22% for the first quarter to 33 cents compared to 27 cents in same quarter last year.
- \* \$54 million of net new business awarded to ICON during the quarter.
- \* Dr John Climax takes over as Executive Chairman; Peter Gray becomes CEO

Dublin, Ireland, October 8, 2002 – ICON plc (NASDAQ: ICLR), a global contract clinical research organisation, which has approximately 1,800 employees providing services to the pharmaceutical and biotech industries from 24 locations in 15 countries worldwide, today reported the financial results for its first quarter ended August 31, 2002.

Net revenues for the quarter were \$46.9 million, representing a 29% increase over net revenues of \$36.2 million for the same quarter last year. Income from operations was \$5.2 million which represents an increase of 27% from the \$4.1 million reported for the first quarter last year. Operating margin for the quarter was 11.1% compared to 11.3% for the equivalent period last year. Net income for the quarter was \$4.0 million or 33 cents per share, on a diluted basis, compared with \$3.3 million or 27 cents per share for the first quarter last year.

In the quarter, payments of \$3.1 million were made under continuing earn out arrangements related to acquisitions and capital expenditure in the quarter was \$3.1 million, while days sales outstanding, comprising accounts receivable and unbilled revenue less payments on account, were 63 days at August 31, 2002 compared with 67 days at May 31, 2002.

As a result the company's net cash, short-term debt and short-term investments were \$38.9 million at August 31, 2002, compared to \$43.1 million at May 31, 2002.

"The performance in the first quarter has given us an excellent start to fiscal 2003", commented CEO Dr. John Climax. "In particular, I was pleased with the record level of new business awards and our continued strong levels of revenue growth. The second quarter has started well and this, together with yesterday's announcement of our acquisition of BPA and MCS, positions us well for the remainder of the year and beyond"

Dr. Climax also announced that his co-founder and current Chairman, Dr Ronan Lambe, will retire as Chairman with effect from November 1, 2002, but will remain a director and will continue to provide services to the company on a part-time basis. As a result, Dr Climax will become Executive Chairman and Peter Gray, ICON's current Chief Operating Officer, will become CEO.

"I look forward to Ronan's continuing counsel as a board member and his continuing input into our business development activities", said Dr John Climax. "The partnership which Ronan and I forged 12 years ago has brought ICON to a leading position in the CRO industry, and Peter Gray and I intend to continue that development in the years ahead".

"ICON is in excellent shape and continues to grow strongly and develop strategically", said Dr Lambe. "It is, therefore, with considerable pride and confidence that I step down as Chairman, knowing that, under John and Peter's capable leadership, ICON will continue to prosper".

The company will hold its first quarter conference call today, October 8, 2002 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, 2002 and 2001  
(Dollars, in thousands, except share and per share data)

	Three Months Ended	
	August 31, 2002	August 31, 2001
Gross Revenue	72,087	47,653
Subcontractor costs	25,228	11,434
<b>Net Revenue</b>	<u>46,859</u>	<u>36,219</u>
<b>Costs and expenses</b>		
Direct costs	25,425	18,939
Selling, general and administrative	14,643	11,729
Depreciation and amortization	1,570	1,448
<b>Total costs and expenses</b>	<u>41,638</u>	<u>32,116</u>
<b>Income from operations</b>	5,221	4,103
Interest income (net)	186	344
Income before provision of income taxes	<u>5,407</u>	<u>4,447</u>
Provision for income taxes	<u>1,434</u>	<u>1,117</u>
<b>Net income</b>	<u><u>3,973</u></u>	<u><u>3,330</u></u>
Net income per ordinary share		
Basic	<u>\$0.34</u>	<u>\$0.29</u>
Diluted	<u>\$0.33</u>	<u>\$0.27</u>
Weighted average number of ordinary shares		
Basic	11,798,354	11,499,311
Diluted	12,147,634	12,260,317

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### Summary Balance Sheet Data

**August 31, 2002 and May 31, 2002**  
**(Dollars, in thousands)**

	<b>August 31, 2002</b>	<b>May 31, 2002</b>
Cash, short-term debt and short-term investments	38,908	43,097
Accounts receivable	37,844	41,306
Unbilled revenue	33,527	26,387
Payments on account	(21,743)	(19,854)
Total	49,628	47,839
Working Capital	75,936	72,923
Total assets	166,999	165,794
Shareholder's equity	112,959	107,561

**Source:** ICON plc

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