

## **ICON Reports 32% Increase in Revenues, 70% Increase in Operating Income, and 27% Increase in EPS in Second Quarter FY 2002 (NASDAQ:ICLR)**

### **Second Quarter and Year to date Highlights**

- \* Second Quarter net revenues increased 32% over the same quarter of last year to \$37.8 million and increased 35% on a year-to-date basis.
- \* Income from operations increased 70% over the second quarter last year to \$4.4 million, and 73% in the six months to November 30, 2001.
- \* Operating margin increased to 11.7% in the second quarter compared to 9.1% for the second quarter of last year, an increase of 2.6%.
- \* Diluted earnings per share was 28 cents, up 27% on the same quarter last year. Year-to-date diluted earnings per share was 56 cents compared with 43 cents for the comparable period last year, an increase of 30%.

Dublin, Ireland, January 8, 2002 – ICON plc (NASDAQ: ICLR), a global contract clinical research organisation, which has over 1,450 employees, providing services to the pharmaceutical and biotech industries in 22 locations in 14 countries worldwide, today reported the financial results for its second quarter ended November 30, 2001.

Net revenues for the quarter were \$37.8 million, representing a 32% increase over net revenues of \$28.6 million for the same quarter last year. Income from operations was \$4.4 million which represents an increase of 70% from the \$2.6 million reported for the second quarter last year. Overall, operating margin for the quarter was 11.7% compared to 9.1% for the comparable period last year. Net income for the quarter was \$3.5 million or 28 cents per share, on a diluted basis, compared with \$2.7 million or 22 cents per share for the second quarter last year.

In the six months to November 30, 2001, net revenues were \$74.0 million, representing a 35% increase over net revenues of \$54.9 million reported for the first six months of last year. Operating margin for the six months to November 30, 2001 was 11.5% compared to 9.0% for the comparable period last year. Net income was \$6.8 million or 56 cents per share, on a diluted basis, compared with \$5.1 million or 43 cents per share reported for the same period last year.

At November 30, 2001 the company had days sales outstanding, comprising accounts receivable and unbilled revenue less payments on account, of 68 days compared with 73 days at August 31, 2001 and 93 days at May 31, 2001. As a result the company had net cash, short-term debt and short-term investments of \$46.8 million at November 30, 2001, compared with \$40.8 million at August 31, 2001 and \$35.9 million at May 31, 2001. Capital expenditure was \$3.7 million in the second quarter and \$5.7 million year to date.

“The second quarter has been another excellent quarter for ICON”, commented Dr. John Climax. “We have achieved record levels of net revenue and income and our operating margin has continued to improve. We achieved \$34 million of net new business in the quarter despite a slow down in business awards in the aftermath of September 11 and a higher than normal level of project cancellations and delays arising predominately from pharmaceutical company acquisition activity. Business flows have recovered since September and we remain confident in the outlook for our continued growth”.

The company will hold its second quarter conference call today, January 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 our 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 represented herein has been prepared in accordance with U.S. GAAP.

Source: ICON plc

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## ICON plc

### Consolidated Income Statements (Unaudited)

**Three months and Six months ended November 30, 2001 and 2000**  
**(Dollars, in thousands, except share and per share data)**

	Three Months Ended		Six Months Ended	
	November 30, 2001	November 30, 2000	November 30, 2001	November 30, 2000
Gross Revenue	52,648	37,363	100,301	72,252
Subcontractor costs	14,879	8,786	26,313	17,368
<b>Net Revenue</b>	37,769	28,577	73,988	54,884
<b>Costs and expenses</b>				
Direct costs	20,575	15,851	39,514	30,389
Selling, general and administrative	11,359	8,972	23,088	17,230
Depreciation and amortization	1,430	1,166	2,878	2,346
<b>Total costs and expenses</b>	33,364	25,989	65,480	49,965
<b>Income from operations</b>	4,405	2,588	8,508	4,919
Interest income (net)	235	630	579	1,292
Income before provision of income taxes	4,640	3,218	9,087	6,211
Provision for income taxes	1,183	565	2,300	1,067
<b>Net income</b>	3,457	2,653	6,787	5,144
Net income per ordinary share				
Basic	\$0.30	\$0.24	\$0.59	\$0.46
Diluted	\$0.28	\$0.22	\$0.56	\$0.43
Weighted average number of ordinary shares				
Basic	11,667,504	11,269,816	11,507,105	11,182,706
Diluted	12,242,463	11,893,236	12,224,841	11,887,653

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### Summary Balance Sheet Data

November 30, 2001 and May 31, 2001  
(Dollars, in thousands)

	November 30, 2001	May 31, 2001
Cash, short term debt and short term investments	46,846	35,855
Accounts receivable	34,585	29,474
Unbilled revenue	20,790	20,508
Payments on account	(18,045)	(11,134)
Total	37,330	38,848
Working Capital	67,327	61,147
Total assets	148,319	128,967
Shareholder's equity	96,347	86,580

**Source:** ICON plc

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