

ICON PLC /ADR/
Form 6-K
July 28, 2006

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Report of Foreign Private Issuer
Pursuant to Rule 13a - 16 under
the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2006

ICON plc
(Registrant's name)

0-29714
(Commission file number)

South County Business Park, Leopardstown, Dublin 18, Ireland.
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Yes No

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82 N/A

This report on Form 6-K is hereby incorporated by reference in the registration statement on Form F-3 (Registration No. 333-133371) of ICON plc and in the prospectus contained therein, and this report on Form 6-K shall be deemed a part of such registration statement from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished by ICON plc under the Securities Act of 1933 or the Securities Exchange Act of 1934.

ICON plc

Quarterly Period Ended June 30, 2006

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ICON plc

GENERAL

As used herein, “ICON”, the “Company” and “we” refer to ICON plc and its consolidated subsidiaries, unless the context requires otherwise.

Business

We are a contract research organization, or CRO, providing clinical research and development services on a global basis to the pharmaceutical, biotechnology and medical device industries. Our focus is on supporting the conduct of clinical trials. We have historically done so by providing such services as Phase I - IV clinical trials management, study design, laboratory services and drug development support. We believe that we are one of a select group of CROs with the capability and expertise to conduct clinical trials in most major therapeutic areas on a global basis. We have approximately 3,600 employees worldwide, with operations in 45 locations in 30 countries, including the United States and major markets in Europe and Rest of World. For the six months ended June 30, 2006, we derived approximately 61.1%, 31.8%, and 7.1% of our net revenue in the United States, Europe and Rest of World, respectively.

Headquartered in Dublin, Ireland, we began operations in 1990 and have expanded our business through internal growth and strategic acquisitions.

On July 27, 2005 the Board of Directors of the Company approved a change of the Company’s fiscal year-end from a twelve-month period ending on May 31 to a twelve-month period ending on December 31. The Company made this change in order to align its fiscal year end with the majority of other contract research organizations. As a requirement of this change, the Company reported results for the seven-month period from June 1, 2005 to December 31, 2005 as a separate transition period in a Transition Report filed on Form 20-F. From January 1, 2006, the Company’s fiscal quarters will end on the last day of March, June, September and December of each year. Information set out in this report is for the three and six months ending June 30, 2006. Comparative income statement and cash flow information, together with related notes, is for the three and six months ending May 31, 2005. Comparative balance sheet information and related notes are stated as at December 31, 2005.

ICON plc

**CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT JUNE 30, 2006 AND DECEMBER 31, 2005**

	(Unaudited)	(Audited)
	<u>June 30, 2006</u>	<u>December</u>
		<u>31, 2005</u>
		(in thousands)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$63,186	\$59,509
Short term investments - available for sale	37,827	22,809
Accounts receivable	81,233	71,450
Unbilled revenue	69,379	62,270
Other receivables	5,092	6,435
Deferred tax asset	1,526	1,554
Prepayments and other current assets	13,480	11,089
Total current assets	271,723	235,116
Other Assets:		
Property, plant and equipment, net	52,974	47,652
Goodwill	67,395	65,731
Non-current deferred tax asset	422	452
Intangible assets	52	116
Total Assets	\$392,566	\$349,067
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$9,262	\$7,575
Payments on account	65,436	50,211
Other liabilities	35,911	33,184
Deferred tax liability	593	682
Bank credit lines and loan facilities	-	4,856
Income taxes payable	7,260	6,296
Total current liabilities	118,462	102,804
Other Liabilities:		
Long term government grants	1,179	1,160
Long term finance leases	100	152
Non-current deferred tax liability	2,526	2,499
Minority interest	970	894
Total Liabilities	123,237	107,509
Shareholders' Equity:		
Ordinary shares, par value 6 euro cents		
per share; 20,000,000 shares authorized,		
14,176,636 shares issued and outstanding		

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at June 30, 2006 and 14,018,092 shares
issued and outstanding at December 31,
2005

	1,005	993
Additional paid-in capital	129,443	123,333
Accumulated other comprehensive income	8,220	3,409
Merger reserve	47	47
Retained earnings	130,614	113,776
Total Shareholders' Equity	269,329	241,558
Total Liabilities and Shareholders' Equity	\$392,566	\$349,067

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICON plc

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2006 AND MAY 31, 2005
(UNAUDITED)**

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>	<u>May 31,</u>	<u>June 30,</u>	<u>May 31,</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>

(in thousands except share and per share data)

Revenue:				
Gross revenue	\$	153,744	\$	121,979
			\$	294,388
Subcontractor costs		(46,308)		(88,457)
			\$	235,320
Net revenue		107,436		168,824
		85,969		205,931
Costs and expenses:				
Direct costs		60,014		47,529
Selling, general and administrative expense		32,397		27,540
Depreciation and amortization		3,689		7,134
Other Charges		-		11,275
Total costs and expenses				