



TRADING UPDATE- FIRST QUARTER 2012

- **Growth of revenues of new scope over 30 %**
- **Closing of partial sales of Molecular Imaging business**
- **EUR 20 million subordinated loan granted by SRIW to further reinforce the financing structure of the group**

Louvain-la-Neuve, Belgium, 9 May 2011

IBA (Ion Beam Applications S.A.: Reuters IBAB.BR and Bloomberg IBAB.BB)

KEY EVENTS AT GROUP LEVEL

IBA, a leader in the development of next generation radiotherapy equipment and radiopharmaceuticals for cancer diagnosis, today announces its first quarter trading update for the period ending 31 March 2012.

During the first quarter 2012, the Company has largely focused on closing the deal already announced with SK Capital Partners related to the disposal of a majority stake in IBA Molecular Imaging. The transaction has finally closed on April 2, just after quarter end, yielding EUR 75 million of net cash. The first financial statements showing the new perimeter post transaction will be released on August 31.

The new perimeter business has continued to grow strongly, posting a top line increase of over 30 %; largely driven by the proton therapy business.

Finally, the Company has also negotiated with the S.R.I.W. (Société Régionale d'Investissement de Wallonie) a subordinated loan for an amount of EUR 20 million and a maximum duration of 15 years. A first tranche of EUR 10 million has been drawn on this loan beginning of the second quarter. The main goal of this loan is to reinforce the long term financing structure of the Company and support the sales of PT centers.

KEY FIGURES AT GROUP LEVEL

The IBA Molecular business has been consolidated for the full quarter, but is considered since 2011 year end closing as "Discontinued Operation".

On a consolidated basis, IBA reports for the first quarter of 2012:

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- An increase of 32% in revenues compared to the first quarter of 2011, driven by work in progress in the Equipment segment
- Recurring operating results above Q1 2011, due to:
 - the growth and efficiency improvement in the Equipment segment
 - the reclass in the results from discontinued operation (below operating profit level) of the expenses related to the investment in new diagnostic molecules
- The period ended at about break even, after results of the discontinued operations.

BALANCE SHEET ASPECTS

- At the end of the first quarter 2012, IBA reported a net debt position of EUR 78.0 million, compared to EUR 40.6 million at the end of the year 2011. This evolution resulted from movements of working capital requirement due to the profile of the payment schemes in the proton therapy business

On April 2, 2012, IBA received a net amount of EUR 74.7 million from the transaction with SK Capital Partners. Corrected with this amount, the net financial debt of the Company was reduced to EUR 3.3 million. As a consequence of this deal, the Company has further reclassified its EUR 30 million long term loan with the E.I.B. as short term debt covered by an equivalent escrow account while the loan is renegotiated.

KEY FIGURES AND EVENTS AT SEGMENTS LEVEL

For its 1st quarter, IBA reported the following trends and news per segment:

- Equipment
 - Revenues have increased by about 35%, mainly driven by:
 - The progress made on the construction and installation of the Proton therapy center orders booked in the prior years
 - A moderate return to growth in the Dosimetry business
 - Operating profit for the segment is consequently growing compared to Q1 2011
 - Despite a strong pipeline of contracts under different stages of discussion with customers, no new Proton therapy orders have been booked in 2012 yet. Still, at quarter end, the backlog of booked orders represents a total value of EUR 228 million
 - IBA also communicated that throughout the period it has continued to support closely STRIBA (a 50/50 joint venture with Strabag) in its negotiation with its customer WPE (Westdeutsches Protonentherapiezentrum Essen GmbH) to find a mutually acceptable solution allowing the acceptance of the center and start of patient treatments, independently of the arbitration started between the parties. Good progress has been made towards completion of the clinical commissioning of the first treatment room in the center in Essen but STRIBA has received end of April a copy of a partial and disappointing decision issued by the arbitrators. The majority of the claims from STRIBA have been rejected by the arbitrators. The majority of the counterclaims from WPE have been accepted by the



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arbitration. STRIBA and its shareholders, IBA and STRABAG, are analysing the recourses available against this partial award as well as the possible consequences of these surprising decisions on the obligations of STRIBA re the PT equipment and the building.

■ Pharmaceuticals

- Revenues for Bioassays activity are stable compared to Q1 2011
- The segment operates for Q1 about breakeven compared to last year strong operating loss related to the investment in new diagnostic molecules in the IBA Molecular business
- IBA Molecular has recorded a loss this year again for Q1, now reported as "result from discontinued operation"

OUTLOOK

With the successful disposal of IBA Molecular Imaging, IBA is focused on building its specialized medtech business, leveraging on its world leading expertise in the proton therapy, the dosimetry and pharmaceutical field.

Under these conditions and in the current markets, the Company targets to reach gradually 10% recurring operating profit and 5-10% revenue growth between 2011 and 2015. This will be achieved thanks to the combined effects of growing revenues from operation and maintenance of the growing installed base, resizing of the Company to the new perimeter scope and progress on the experience curve of the proton therapy equipment's production and installation.

At the net result level, the Company will continue to co-invest with SK Capital partners into development in new radiopharmaceutical compounds. This will create a charge of about EUR 3 to 5 million per year below operating profit, but offers significant upside in the future.

In this new perimeter, the recurring revenue of the Company still accounts for nearly 50% of its total sales, thanks to the continuously increasing service revenue of its installed base and its activities in Dosimetry and Bioassays.

SHAREHOLDER'S AGENDA

Publication of half year results 2012
Interim declaration - third quarter 2012
Publication of annual results 2012

31 August 2012
19 November 2012
15 March 2013

DIRECTORS' DECLARATIONS

In accordance with the Royal Decree of 14 November 2007, IBA indicates that this Trading Update has been prepared by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).



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ABOUT IBA

Founded in 1986 in Louvain-la-Neuve (Belgium), IBA's principal activity is in the medical sector. It develops and sells state-of-the-art equipment as well as radiopharmaceuticals used to diagnose and treat cancer. Given its scientific expertise, IBA also applies its expertise to electron beam accelerators for industrial sterilisation and ionisation. Listed on the pan-European EURONEXT stock exchange, IBA is included in the Bel Mid index (IBA: Reuters IBAB.BR and Bloomberg IBAB.BB).

Site: <http://www.iba-worldwide.com>

Contact

IBA

Jean-Marc Bothy

Chief Financial Officer

Tel: +32 10 47 58 90

investorrelations@iba-group.com