



**IBA – 2009 RESULTS**  
**SECOND HALF OF THE YEAR DEGRADED BY PROVISIONS**  
**BETTER PERSPECTIVES FOR 2010**

Embargo until 5:40 p.m. (Belgian time) – March 15<sup>th</sup>, 2010

**Louvain-la-Neuve, Belgium, March 15, 2010** – IBA (Ion Beam Applications SA) has reported today its consolidated results for the financial year ended December 31<sup>st</sup>, 2009.

**KEY FACTS AND FIGURES**

- In line with its profit warning issued February 19<sup>th</sup>, 2010, the company reports a loss exceeding EUR 12 million for the year 2009. This loss results from « one-off » charges on two projects with strong R&D content.

**Due to the exceptional nature of these charges and the change in scope during the previous year following the acquisition of the French company CIS Bio International, the results must be analyzed as follows:**

- Sales show a growth of 8.0% and have reached EUR 359.2 million. At constant scope and rate, revenues would have been down 6.8% compared with 2008, the growth recorded in the European pharmaceutical sector being more than offset by:
  - Decrease in revenues in the USA because of the global economic context.
  - Decrease in revenues in the equipment segment because of lack of orders in proton therapy in 2008 as well as weak order intake for other accelerators during the first half of 2009.
- Recurring operating result amounts to EUR 7.3 million, which is a 32.0% decrease compared with 2008 due to the impact of part of the aforementioned « one-off » charges for EUR 2.8 million. Without these charges, the result would have been in line with last year's result despite very difficult economic conditions.
- The financial year ends with a net loss of EUR 12.3 million explained by the following items recorded below the recurring result:
  - Non-recurring charges and products including over EUR 9 million in charges resulting from the reassessment of probable completion time for these projects with high technological content.
  - Financial charges up EUR 2.5 million mainly due to the reassessment of pension obligations added to IBA following the acquisition of CIS Bio International at the end of the first half of 2008.
  - The net tax charges amount to EUR 4.8 million and consist mainly of deferred tax assets movements (non-cash).
- As a result, the company will not be able to distribute dividends in 2010 for the 2009 financial year. This does not however imply any change in the company's dividend distribution policy and the company intends to start distributing dividends again as soon as possible.



## Press release |

Regulated information

	FY 2009 (EUR 000)	FY 2008 (EUR 000)	Change (EUR 000)	%
Sales and Services	359 161	332 607	26 554	8,0%
REBITDA	25 433	26 152	-719	-2,7%
<i>% of Sales</i>	7,1%	7,9%		
REBIT	7 306	10 751	-3 445	-32,0%
<i>% of Sales</i>	2,0%	3,2%		
Result before Tax	-7 541	12 110	-19 651	-162,3%
<i>% of Sales</i>	-2,1%	3,6%		
Net Result	-12 293	5 329	-17 622	-330,7%
<i>% of Sales</i>	-3,4%	1,6%		

2008 REBITDA corrected with non-recurring items compared with 2008 report

REBITDA: Recurring earnings before interest, taxes, depreciation and amortization.  
REBIT: Recurring earnings before interest and taxes.

### The second half of 2009 and the first months of 2010 give a promising view of the future:

- In the second half, the company saw a revival in order intake for equipments, which had sharply slowed down in late 2008 and early 2009. To date, the backlog exceeds EUR 200 million.
- A net debt of EUR 17.1 million but a current gross positive cash of EUR 17.6 million. The decrease in net cash of EUR 34.9 million compared with the net positive position of EUR 17.8 million at end 2008 is due to investments linked mainly to the pharmaceutical activity for EUR 31.7 million. These investments relate mainly to the refurbishment of the Saclay production site (France) whose building works are nearing completion as well as the preparation for the launch of new proprietary molecules.
- Operating cash flow has greatly improved during the second half of the year, mainly thanks to proton therapy projects.
- The company has, amongst other things, thanks to a long-term loan from the European Investment Bank, credit lines up to EUR 100 million, of which less than a quarter has been used up to now.

## RESULTS BY BUSINESS SEGMENTS

### PHARMACEUTICALS

- In the Pharmaceuticals segment, IBA develops radiopharmaceutical products used mainly for medical diagnosis in oncology but also in neurology and cardiology and for the treatment of cancer. This business segment also includes Bioassay operations which develop a range of biomarkers for in vitro medical diagnosis and HTRF<sup>1</sup> technology for in vitro screening of new drugs for the pharmaceutical industry.

	FY2009 (EUR 000)	FY2008 (EUR 000)	Change (EUR 000)	Change %
Net Sales	203 587	149 971	53 616	35,8%
- Radiopharmaceuticals	165 898	126 851	39 047	30,8%
- Bioassays	37 689	23 120	14 569	63,0%
REBITDA	16 141	14 724	1 417	9,6%
<i>% of Sales</i>	7,9%	9,8%		
REBIT	1 135	2 918	-1 783	-61,1%
<i>% of Sales</i>	0,6%	1,9%		

2008 REBITDA corrected with non-recurring items compared with 2008 report

REBITDA: Recurring earnings before interest, taxes, depreciation and amortization.  
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- The net sales growth is largely impacted by the acquisition of CISBIO International. For the record, 2008 financial year only included 7 months for this activity compared with 12 months in 2009. At constant scope and rate, the segment's growth would have been 1%. Growth at constant scope above 10% in Europe has offset a 12% decrease in the United States.
- The decreased volume in the USA and a higher allocation for central expenses have affected the segment's overall profitability but the second half has shown an improvement compared to the first half. This explains why the operating profit reaches 2.6% of sales and services for the second half of 2009 compared with a loss during the first half.
- On a strategic level, two agreements signed during the first six months of 2009 enable IBA clients to benefit from a network of 50 production and distribution sites for PET radiopharmaceuticals over 3 continents.

  - In February 2009, a cooperation agreement was concluded with Eczacıbaşı-Monrol Nuclear Products AS to develop the market for PET radiopharmaceuticals (Positron Emission Tomography)

<sup>1</sup> HTRF = Homogeneous Time-Resolved Fluorescence

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- and SPECT radiopharmaceuticals (Single Photon Emission Tomography) in the Balkans, the Middle East, North Africa as well as Central Europe and Eastern Europe;
- In May 2009, a partnership with BV Cyclotron VU, based in Amsterdam, was signed for the production and distribution of radiopharmaceuticals marked with 18F (Fluor-18) used in Positron Emission Tomography.
  - On August 3rd, 2009, Cardinal Health announced that it had acquired the assets of Biotech, an operator of PET cyclotrons and nuclear pharmacies which had joined the IBA network in 2008. As a result of this acquisition, the IBA network went from 53 production sites to 50.
  - As regards the development of new marked molecules, 2009 has proven to be a good year:
    - On September 21st, 2009, IBA and Aposense Ltd announced the signature of an exclusive cooperation agreement for the marketing of Aposense® [18F]-ML-10, Aposense's new agent for the molecular imaging of apoptosis (programmed cell death). The global long-term agreement concerns the cooperation and joint financing by IBA and Aposense of the phase III clinical development as well as of subsequent clinical developments for [18F]-ML-10.
    - On October 6th, IBA and Willex announced they had completed their tests on patients as part of phase III of proprietary product Redectane® for imaging renal cell carcinoma. Tabulation of results is underway. If successful the first revenues should be generated in 2011.
    - On October 29th, 2009, IBA received a positive opinion from the CHMP (Committee for Medicinal Product for Human Use) that recommended a marketing authorization for Scintimun® (besileosomab). This product is used in scintigraphic imaging to localize inflammation or infection.
  - For the record, the Bioassays division received the 2009 Frost & Sullivan Technology Innovation of the Year award.

### EQUIPMENTS

- This business segment includes:
  - **Proton therapy** which offers turnkey solutions using proton beams for a more precise cancer treatment with fewer side effects.
  - Particles **accelerators** which offer a range of cyclotrons used to produce PET (Positron Emission Tomography) or SPECT (Single Photon Emission Tomography) radioisotopes as well as a range of industrial accelerators for sterilization and ionization (E-beam and X-ray type Rhodotron®, Dynamitron®).
  - **Dosimetry** which offers measurement instruments and quality assurance tools for radiotherapy and medical imaging to enable healthcare staff to verify that the equipment is delivering the right doses to the intended target.

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	FY2009 (EUR 000)	FY2008 (EUR 000)	Variance (EUR 000)	Variance %
Sales and Services	155 574	182 636	-27 062	-14,8%
- Protontherapy	70 689	86 191	-15 502	-18,0%
- Dosimetry	39 815	37 557	2 258	6,0%
- Accelerators & others	45 070	58 888	-13 818	-23,5%
REBITDA	9 292	11 419	-2 127	-18,6%
% of Sales	6,0%	6,3%		
REBIT	6 171	7 833	-1 662	-21,2%
% of Sales	4,0%	4,3%		

- ▣ After a first half of 2009 during which a significant improvement had been recorded in the profitability of the equipment business segment thanks to the renegotiation of the terms of some sales contracts as well as to lower production costs, improved production processes and growing project expertise (in particular in proton therapy), the second half is characterized by non-recurring costs resulting from the reassessment of the probable completion time for two projects with high technological content. These items explain why the group shows operating results down 22% compared with the previous financial year.
- ▣ These lower 2009 results do not question the global positive prospects of the company as a whole and of the equipment business segment in particular. In fact the second half of 2009 has been particularly busy with order intakes.
- ▣ Protontherapy:
  - In 2009, despite the economic crisis, IBA was able to maintain its guidance in terms of protontherapy orders, that is two or three systems per year, and to continue to justify its position of market leader:
    - In May 2009, IBA signed a contract for the installation, after-sales service and long-term maintenance of a large proton therapy centre in Prague, Czech Republic. The first patients should be treated in 2012.
    - On July 17th, 2009, IBA announced it had been selected by the ATreP (*Agenzia Provinciale Per la Protonterapia*, Provincial Agency for the Proton Therapy) in Italy for the installation of a proton therapy centre for the Trento province. This center will be the first gantry-equipped proton therapy centre installed in Italy and will be set up as a public-private partnership (PPP). The ATreP proton therapy centre will be built in the area chosen for the new Trento hospital and should start treating patients in early 2013. Financing for this contract was finalized in December 2009.
    - On November 2<sup>nd</sup>, 2009, IBA launched «Proteus Nano», a smaller and cheaper alternative to traditional proton therapy centres for cancer treatment. The unique design of the Proteus Nano comes from its smaller size. Thanks to the use of IBA's innovative Vbeam technology, Proteus Nano optimizes space and thus reduces the overall space required and cost. This

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new configuration with two treatment rooms makes proton therapy accessible like never before.

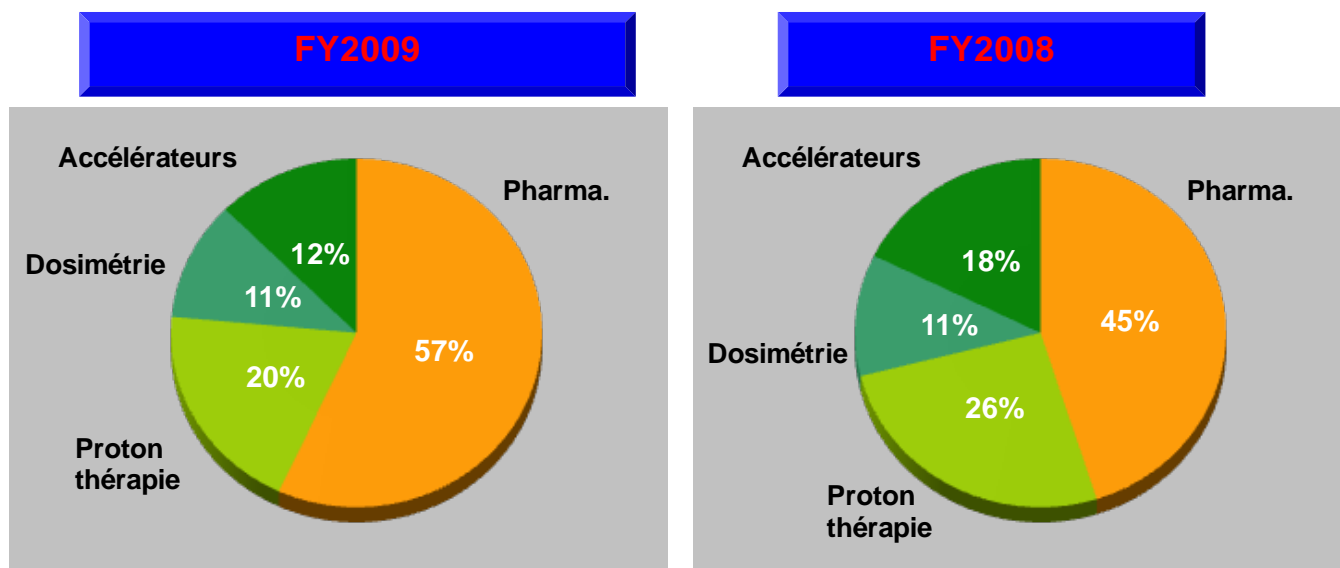
- The company also announced its MaxiPRO renting solution for proton therapy centres which will enable an even larger number of hospitals and cancer centres to offer proton therapy to their cancer patients. It is a “one stop shop” offer which means literally “No Pay until Opening Day”. MaxiPRO is an all-inclusive renting offer which lets qualifying patients benefit from a fully operational Proteus proton therapy system for a pre-defined monthly fee. This fee covers the Proteus system, its installation, its ancillary systems, the building as well as the use or maintenance of the equipment, or part of these services, for a set period of time.
- In December 2009, IBA prevailed in first instance in its cancellation claim of the Protontherapy contract of Skandion in Sweden. In a decision dated August 11th, 2009, the public authorities had decided to award the contract to Varian Medical Systems Inc. IBA was of the opinion that the procedure was subject to formal breaches, that the offers submitted were wrongly evaluated and that the procedure was conducted in violation of the principles of transparency and equal treatment. An appeal had been lodged with the administrative court of Uppsala. In a decision dated December 3rd, 2009, the court ruled in favour of the appeal and made the contract void. Subject to appeal of this decision by the Joint Authority, the latter is required to repeat the procedure.
- The installation of previously ordered systems is also currently underway:
  - The proton therapy centre installed at the ProCure Proton Therapy Centre of Oklahoma City, USA opened early July, that is 27 months after the first stone was laid – a world first- , while it usually takes 3 years to build a complete centre.
  - IBA is currently building and equipping in nine proton therapy centres, five in the United States and four in Europe. Moreover, seven proton therapy centres built by IBA are already treating patients on a daily basis in the United States and Asia.
- Accelerators:
  - After a very difficult first half of 2009, during which IBA had only managed to secure a few orders for cyclotrons and industrial accelerators, because of the difficulties encountered by clients in obtaining financing by banks, the second half ends with orders for 14 particles accelerators, making it one of IBA's best semesters yet for this area.
  - During the last Meeting for Nuclear Medicine (SNM), held in Toronto, Canada last June, IBA presented its new Cyclone® 11. It combines the advantage of a small-sized machine with high-energy cyclotrons technology. Strengthened by its expertise in the matter, IBA thus makes the most advanced functions available to R&D and production services in hospitals.
- Dosimetry:
  - During the second half, Dosimetry sales greatly increased (+15%) compared with the second half of 2008. This increase seems to reflect the end of the slowdown noticed since the last quarter of 2008 due to the spending freeze decided by hospitals, especially in the United States.
  - During the year, IBA successfully launched on the market several new products including a version of the Compass® and MatriXX<sup>Evolution</sup> adapted to rotational radiotherapy devices.



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### BREAKDOWN OF THE CONSOLIDATED TURNOVER BY BUSINESS SEGMENTS



### EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- On February 19<sup>th</sup> 2010, IBA confirmed in a press release that it has received from its Italian client ATreP (*Agenzia Provinciale Per la Protonterapia*), an additional order for a second treatment room.
- On February 23<sup>rd</sup>, 2010, IBA announced that it has been chosen by ProCure Treatment Centres, Inc. to provide a proton therapy system to the ProCure Proton Therapy Centre of Somerset, New Jersey, United States. The contract is financed and becomes effective immediately. It represents IBA equipments for a total value between EUR 30 and 45 million.

### SHAREHOLDER'S CALENDAR

Interim statement, first quarter 2010  
 2010 General Shareholders' Meeting  
 Publication of results at June 30<sup>th</sup>, 2010  
 Interim statement, third quarter 2010

May 11<sup>th</sup>, 2010  
 May 12<sup>th</sup> 2010 at 10:00 a.m.  
 August 31<sup>st</sup>, 2010  
 November 20<sup>th</sup>, 2010

Pursuant to the Royal Decree of November 14, 2007, IBA declares that this press release was prepared by Pierre Mottet, Chief Executive Officer (CEO) and Jean-Marc Bothy, Chief Financial Officer (CFO).



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### AUDITOR'S REPORT

*"The auditor has confirmed that his audit work has not revealed any significant matters requiring adjustments to the accounting information included in this press release".*

### PROSPECTS

Given the uncertainties in the economy, the company is no longer giving guidance on future results.

#### **ABOUT IBA**

Founded in 1986 in Louvain-la-Neuve (Belgium), IBA is primarily active in the medical industry. It develops and markets state-of-the-art equipment and radiopharmaceuticals for cancer diagnosis and treatment. In addition, it uses the scientific expertise thus gained to provide electron accelerators for industrial sterilization and ionization. Listed on the pan-European stock exchange EURONEXT, IBA is included in the Bell Mid Index (IBA: Reuters IBAB.BR and Bloomberg IBAB.BB).

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

#### Contact

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**CONSOLIDATED INCOME STATEMENT**

	31/12/09	31/12/08	Change	
	(EUR '000)	(EUR '000)	(EUR '000)	%
Sales and services	359 161	332 607	26 554	8.0%
Cost of sales and services	227 850	220 272	7 578	3.4%
<b>Gross profit/(loss)</b>	<b>131 311</b>	<b>112 335</b>	<b>18 976</b>	<b>16.9%</b>
	36.6%	33.8%		
Selling and marketing expenses	35 316	30 368	4 948	16.3%
General and administrative expenses	59 707	44 215	15 492	35.0%
Research and development expenses	28 982	27 001	1 981	7.3%
<b>Recurring expenses</b>	<b>124 005</b>	<b>101 584</b>	<b>22 421</b>	<b>22.1%</b>
<b>Recurring profit/(loss)</b>	<b>7 306</b>	<b>10 751</b>	<b>-3 445</b>	<b>-32.0%</b>
	2.0%	3.2%		
Other non-recurring (income)/ expenses - net	10 534	-6 359	16 893	-265.7%
Finance (income)/ expenses - net	5 125	2 637	2 488	94.3%
Share of (profit)/loss of equity-accounted companies	-812	2 363	-3 175	-134.4%
<b>Profit/(loss) before tax</b>	<b>-7 541</b>	<b>12 110</b>	<b>-19 651</b>	<b>-162.3%</b>
Tax (income)/ expenses	4 752	6 781	-2 029	-29.9%
<b>Profit/ (loss) for the period from continuing operations</b>	<b>-12 293</b>	<b>5 329</b>	<b>-17 622</b>	<b>-330.7%</b>
Equity Holders of the parent	-12 492	5 300	-17 792	-335.7%
Minority interests	199	29		
<b>Profit/(loss) for the period</b>	<b>-12 293</b>	<b>5 329</b>		
<b>REBITDA</b>	<b>25 433</b>	<b>26 152</b>	<b>-719</b>	<b>-2.7%</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/12/09	31/12/08	
	(EUR '000)	(EUR '000)	
<b>ASSETS</b>			
Goodwill	29 563	29 936	-373
Other intangible assets	37 020	37 768	-748
Property, plant and equipment	79 526	78 693	833
Investments accounted for using the equity method	7 474	6 063	1 411
Deferred tax assets	31 732	33 986	-2 254
Other long-term receivables	80 093	65 111	14 982
<b>Non-current assets</b>	<b>265 408</b>	<b>251 557</b>	<b>13 851</b>
Inventories and contracts in progress	97 011	85 759	11 252
Accounts receivable	70 178	74 820	-4 642
Other receivables	26 869	42 341	-15 472
Derivative financial instruments Assets	2 591	2 275	316
Cash and cash equivalents	17 586	53 943	-36 357
<b>Current assets</b>	<b>214 235</b>	<b>259 138</b>	<b>-44 903</b>
<b>Total assets</b>	<b>479 643</b>	<b>510 695</b>	<b>-31 052</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	37 505	37 285	220
Share premium	124 788	124 358	430
Treasury shares	-9 515	-7 563	-1 952
Hedging and other reserves	16 077	9 220	6 857
Cumulative translation differences	-16 377	-17 064	687
Retained earnings	-9 117	5 446	-14 563
<b>Capital and reserves attributable to Company's equity holders</b>	<b>143 361</b>	<b>151 682</b>	<b>-8 321</b>
<b>Minority interests</b>	<b>781</b>	<b>684</b>	<b>97</b>
<b>TOTAL EQUITY</b>	<b>144 142</b>	<b>152 366</b>	<b>-8 224</b>
Borrowings	6 372	11 885	-5 513
Deferred tax liabilities	1 004	470	534
Provisions	97 169	99 545	-2 376
Other long-term liabilities	53 413	45 515	7 898
<b>Non-current liabilities</b>	<b>157 958</b>	<b>157 415</b>	<b>543</b>
Borrowings	28 275	24 252	4 023
Other short-term financial liabilities	103	2 498	-2 395
Accounts payable	48 264	71 518	-23 254
Current income tax liabilities	2 198	1 942	256
Other payables and accruals	98 703	100 704	-2 001
<b>Current liabilities</b>	<b>177 543</b>	<b>200 914</b>	<b>-23 371</b>
<b>Total liabilities</b>	<b>335 501</b>	<b>358 329</b>	<b>-22 828</b>
<b>Total equity and liabilities</b>	<b>479 643</b>	<b>510 695</b>	<b>-31 052</b>

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**CONSOLIDATED CASH FLOW STATEMENT**

	<b>31/12/09</b>	<b>31/12/08</b>
	<b>(EUR '000)</b>	<b>(EUR '000)</b>
<b>Cash flow from operating activities</b>		
<b>Net profit/(loss) for the period</b>	<b>-12 492</b>	<b>5 300</b>
Adjustments for:		
Depreciation and impairment of property, plant and equipment	15 460	12 586
Amortization and impairment of intangible assets	5 810	3 404
Write-off on receivables	325	1 122
Changes in fair value of financial assets (gains)/losses	-1 808	3 897
Changes in provisions	7 965	2 148
Taxes	2 661	6 781
Share of result of associates and joint ventures accounted for using the equity method	812	2 363
Other non cash items	1 254	2 927
<b>Net cash (used in)/generated before changes in working capital</b>	<b>18 363</b>	<b>40 528</b>
Trade receivables, other receivables, and deferrals	18 142	-6 394
Inventories and contract in progress	-11 176	-28 414
Trade payables, other payables, and accruals	-22 523	8 515
<b>Change in working capital</b>	<b>-15 557</b>	<b>-26 293</b>
Income tax paid/received, net	-1 137	-1 647
Interest expenses	2 387	1 944
Interest income	-2 680	-2 616
<b>Net cash (used in)/generated from operations</b>	<b>1 376</b>	<b>11 916</b>
<b>Cash flow from investing activities</b>		
Acquisitions of property, plant, and equipment	-17 175	-18 672
Acquisitions of intangible assets	-3 273	-6 043
Disposals of fixed assets	321	2 866
Acquisitions of subsidiaries, net of acquired cash	1	47 195
Acquisitions of third party and equity-accounted companies	-672	-4 375
Disposals of subsidiaries and equity-method-accounted companies, net of assigned cash	-51	0
Acquisition of non-current financial assets and loans granted	0	-34 076
Other investing cash flows	-10 880	-8 986
<b>Net cash (used in)/generated from investing activities</b>	<b>-31 729</b>	<b>-22 091</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	23 289	11 162
Repayments of borrowings	-24 222	-10 810
Interest paid	-2 387	-1 944
Interest received	1 129	2 616
Capital increase (or proceeds from issuance of ordinary shares)	608	10 050
Purchase of treasury shares	-1 952	-818
Dividends paid	-2 039	-4 018
Other financing cash flows	-1 038	-934
<b>Net cash (used in)/generated from financing activities</b>	<b>-6 612</b>	<b>5 304</b>
<b>Net cash and cash equivalents at the beginning of the year</b>	<b>53 943</b>	<b>58 210</b>
Changes in net cash and cash equivalents	-36 965	-4 871
Exchange gains/(losses) on cash and cash equivalents	608	604
<b>Net cash and cash equivalent at the end of the year</b>	<b>17 586</b>	<b>53 943</b>